



Ga-Segonyana Local Municipality

Annual Report 2011/12



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Chapter 1

Mayor's Foreword and Executive Summary



Component A: Mayor's Foreword

Dear Community of Ga-Segonyana, the Municipality are continuously striving to enhance service delivery to create a better life for all people of Ga-Segonyana. This is clearly defined in our vision and mission statement.

Vision

In Ga-Segonyana, our vision is “To be an integrated municipality that is committed to the creation of a better life through sustainable development for the people of Ga-Segonyana.”. For us this is more than merely words – we are working actively to make it true for all our people.

“What is it then that you are actually doing?” you may ask. For us, this summarised in our mission statement; “Ensuring the delivery of quality and affordable services, in a sustainable manner that enhances good governance, equity and responsibility to the people of Ga-Segonyana”.

We, as a municipality is driven by a set of key priority areas that determine our overall agenda. Objective are set for these priority areas, which are as follow:

- Water
- Sanitation
- Roads and Transport
- Electricity
- Land Development
- Housing
- LED and Poverty Alleviation
- Health
- Sport, recreation and community facilities
- Refuse collection
- Education
- Social Welfare
- Municipal Capacity and Infrastructure
- Cemeteries
- Telkom and Postal Services

Key Policy Developments

Within the context of the above-mentioned vision, we are especially proud about the following achievements that we have managed to realise during 2011/12.

During 2011/2012 the following policies were developed and or reviewed:

- **Department Financial Services**

New policies developed:

- Borrowing
- Cash management and Investment
- Funding and Reserve

- **Department Corporate Services and LED (policies reviewed and new policies develop)**

- Recruitment policy(Reviewed)
- Retention of Skilled Personnel
- Land disposal policy
- Travelling allowance
- Induction policy
- Training and development/Study policy
- Leave Encashment Policy
- Housing Help/Assistance
- Standby, Shift Allowance policy
- Occupation Health and Safety
- Contract workers
- Laptop policy
- Telephone usage policy
- Cellular phone policy
- Catering policy
- Retirement policy
- Communication strategy and ward policy

- **Department Community Services**

- By-laws and policies to regulate traffic safety
- Fleet management policy

Key Service Delivery Improvements

Department of Corporate Services

- Improved community participation process in terms of IDP/Budget process

Public Participation

Our Municipality involve our communities in our affairs by means of public advertisements of our Integrated Development Plan and Service Delivery and Budget Implementation Plan, as well as our performance plans, with specific reference to the Annual Report. We also advertise the activities of the Oversight Report and invite participation from our communities.

Our community also participate through the structures of the IDP Representative Forum and the annual IDP and budget road shows that we conduct annually.

We also conduct public engagement session when major new (or reviewed) by-laws, policies, strategic or sector plans and strategies are considered.

Remaining Challenges

Department of Finances

- To improve Audit opinion - Disclaimer
- Increasing debt due to non-culture payment
- Manual meter readings
- Compliance challenges in terms of the prescribe supply chain processes
- Inadequate funding to address aging infrastructure
- Data integrity both for billing and meters installed
- Validate the correction of indigent register
- Reviewing of internal control
- Affordability of long term borrowing

Department Corporate Services and LED

- Development and servicing of both residential and business sites.
- Illegal land invasion
- Improve Audit disclaimer
- Growing debt
- Bulk electricity supply hampering development
- Bulk water supply hampering development

Technical Challenges

- Ga-Segonyana Local Municipality is growing at a rapid pace, as a result, it impacts negatively on the following:
 - Current Organisational Structure does not address the service delivery demands
- Land invasion hamper planning
- Allocation of site by tribal authority without consulting the Municipality
- There are thirty (30) rural villages which are vastly located, of which residents are not paying services but the municipality is providing services to them.
- Aging infrastructure –
- Bulk infrastructure has reached its maximum capacity – hamper the growth of Ga-segonyana economy
- Dolomitic area – possible of sink holes which may result in a sudden collapse of Kururman resevoir

Local Economic Development

- Development and servicing of both residential and business sites.
- Illegal land invasion
- Bulk electricity supply hampering development
- Bulk water supply hampering development

Future Actions

Our immediate future priorities to improve our services will be as follows:

- Developed action plan to address auditor general queries
- Developed enhancement strategy to curb increasing debt
- Engage on illegal land occupiers
- Embark on development of Kuruman and Ga-segonyana.
- Improve revenue collection

Conclusion

This Report is our feedback to you, our loyal friends and compatriots. It contains particulars of what we achieved during the past financial year (2011/12) and give an overview of the obstacles that remain in realising our vision and mission above. We believed that we have made important strides in fulfilling our Government's mandate to create a better life for all – especially the most vulnerable and poor in our society.

Component B: Executive Summary

1.1 Municipal Manager's Overview

The 2011/12 financial year has been a challenging, yet successful one for us. We have managed to make important progress towards a better life for all our communities, and have improved our institutional response systems and capacity considerably. Yet, there is no denying that still needs to be done.

Service Delivery performance

We are reasonably satisfied that we, as managers, have contributed positively towards Council's service delivery successes in 2011/12. However, there were also several challenges that need to be addressed. In this regard, the following could be highlighted:

- All indigent households have access to free basic sanitation, electricity and water at a basic level.
- Completion of Phase I of the Bankhara-Bodulong sewerage outflow project
- Construction of additional high mast lights

- Development of a Housing Chapter in collaboration with the district municipality
- The grading of 1,600 km of roads
- Promoting tourism through a variety of initiatives, including The Eye
- Strengthening of the Administration
- Improving the financial viability of the municipality

Policies and related administrative matters

The municipality has maintained registers of the required administrative and financial policies throughout the 2011/12 financial year. The employment equity plan was reviewed and progress reports about its implementation submitted to the Department of Labour. The following important plans and policies were also reviewed and/or implemented:

- **Department Financial Services**

New policies developed:

- Borrowing
- Cash management and Investment
- Funding and Reserve

The following policies were reviewed

- Asset management
- Supply Chain Management

- **Department Corporate Services**

New and reviewed policies during 2011/12:

- Recruitment policy(Revise)
- Retention of Skilled Personnel
- Land disposal policy
- Travelling allowance
- Induction policy
- Training and development/Study policy
- Leave Encashment Policy
- Housing Help/Assistance
- Standby, Shift Allowance policy
- Occupation Health and Safety
- Contract workers
- Laptop policy
- Telephone usage policy
- Cellular phone policy
- Catering policy
- Retirement policy

- **Policies to be developed or reviewed in 2012/13:**

- **Department of Finances:**
 - Credit Control and De
 - Indigent

- Property rates
 - Budget and Virement
 - Bulk Contribution
 - Asset Management
 - Supply Chain
 - Tariff Policy
 - Travel and Subsistence
 - Cellphone
 - Fraud and Prevention
- **Department Corporate Services:**
 - Retention of Skilled personnel
 - Councilors Funeral policy
 - Probation policy
 - Training and development policy
 - Recruitment policy
 - Employee Funeral policy

Shared Services

The municipality entered into an agreement with the district municipality for the utilisation of the following shared services:

- Internal Audit (JTG District Municipality)
- IT Shared service (new) JTG District municipality
- Risk management (JTG District municipality)

1.2 Municipal Population, Functions and Environmental Overview

Ga-Segonyana Municipality is a former cross-boundary municipality with areas in the Northern Cape and the North-West Province. The municipal jurisdiction consists of 33 residential areas within a radius of approximately 80km in and around Kuruman, and has approximately 75,000 residents.

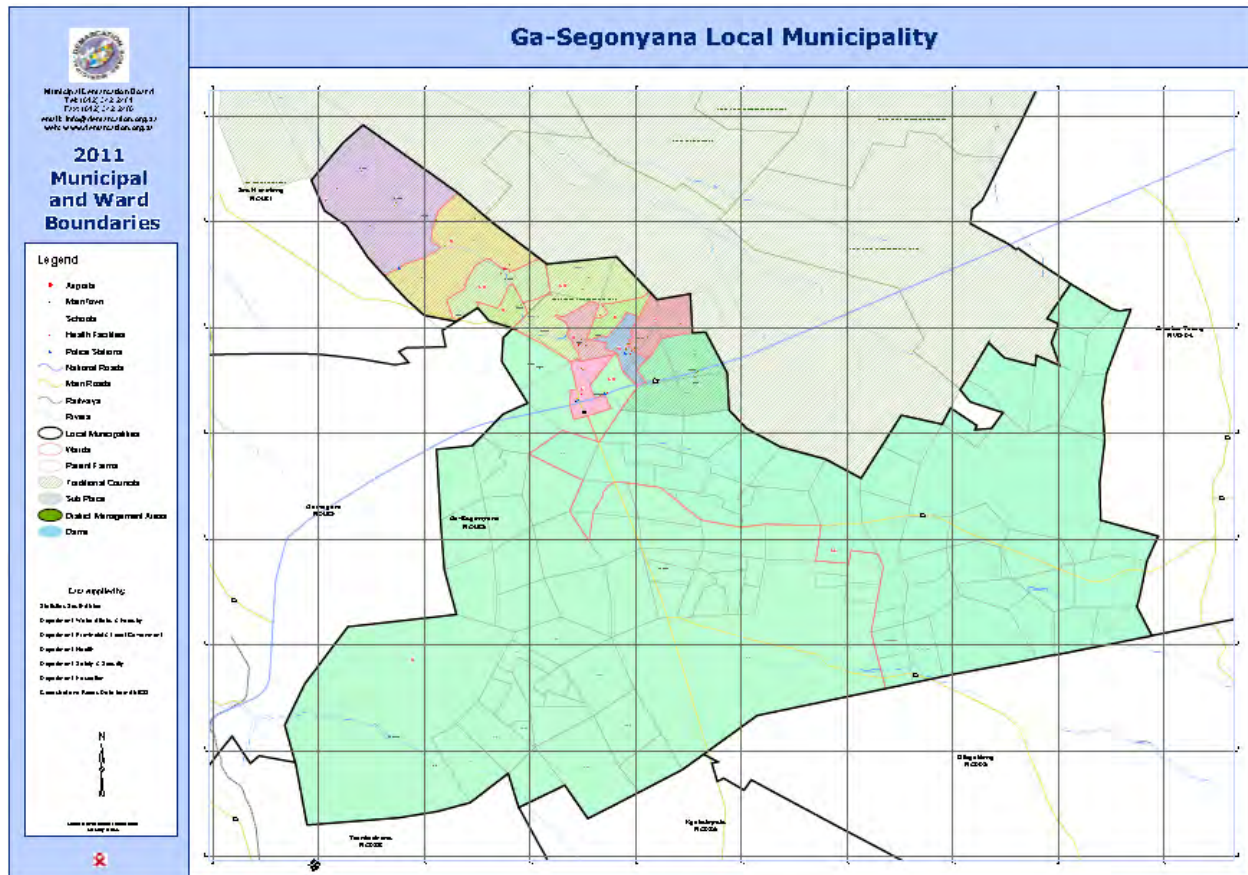
The municipality's economy is mainly based on the surrounding mining and agricultural activities. The municipal seat, Kuruman, is situated on the Namaquari route, forming part of the main route between Gauteng and Namibia and Cape Town via Upington.

(Source: <http://www.kurumankalahari.co.za>)

Ga-Segonyana Municipality was a cross-boundary municipality that straddled the boundary between the North-West and Northern Cape Provinces. It was established in 2000 through the amalgamation of Kuruman and Mothibstad Municipalities and includes sections of the Bophirima District Municipality. The process of amalgamation of the cross-boundary municipalities started in 2006, with the official handing over by the various departments scheduled for 1 April 2007.

80% of the population, of roughly 70 400, stay in rural villages, or lives and works on commercial farms.

Figure / Table 1: Map of the Ga-Segonyana municipal area



(Source: Municipal Demarcation Board)

There are 33 residential areas divided into nine wards, and the council consists of nine ward and nine proportional representative (PR) councillors.

The economy of Ga-Segonyana is based on mining and agriculture (both commercial and subsistence), with tourism and commercial sectors contributing to a vibrant economy centred in Kuruman. Huge development in the surrounding mining areas is leading to extreme development in our area. Despite various challenges, all sectors of the economy have growth potential which can attract investors and entrepreneurs.

(Source: IDP, 2007/08)

Figure / Table 2: Population

Age Category	Census 2001			Community Survey 2007			Estimates 2010		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	3996	3946	7942	3841	3545	7386	3816	3479	7295
5-9	4278	4108	8386	3804	3302	7106	3725	3479	689
10-14	4253	4303	8556	4261	3893	8154	4262	3168	8087
15-19	4311	4381	8692	4255	4105	8360	4246	3825	8305
20-24	2936	3522	6458	2879	3613	6492	2870	4059	6498
25-29	2268	3024	5292	2544	2757	5301	2590	3628	5303
30-34	2164	2638	4802	2089	2565	4654	2077	2713	4630
35-39	2060	2466	4526	2108	2339	4447	216	2553	4434
40-44	1957	2095	4052	1723	2302	4025	1684	2318	4020
45-49	1401	1672	3073	1481	2050	3531	1494	2336	3607
50-54	1091	1277	2368	1144	1480	2624	1152	2113	2665
55-59	873	979	1852	1194	1345	2539	1247	1513	2653
60-64	585	873	1458	599	916	1515	601	1406	1524
65-69	454	723	1177	620	894	1514	647	923	1569
70-74	277	511	788	264	562	826	266	922	836
75-79	161	298	459	422	493	915	465	570	990
80-84	95	203	298	111	108	219	113	525	206
85+	58	152	210	58	124	182	58	93	178

(Source: Statistic South Africa: Census 2001 and Community Survey 2007)

55% of the population of Ga-Segonyana is below the age of 20, and 6,06% above 60. 96,85% has South African citizenship and 0,36% has citizenship of other African countries. 7,53% of the Municipality's population are living with disabilities. The dominant language is Setswana, with 81,47% of the population that speak the language as a first language. Afrikaans is being spoken by 12,87% of the language. A total of 11,330 (or 15,65% of the population) is married in terms of civil / religious arrangements, and 50,502 (69,76%) has never been married.



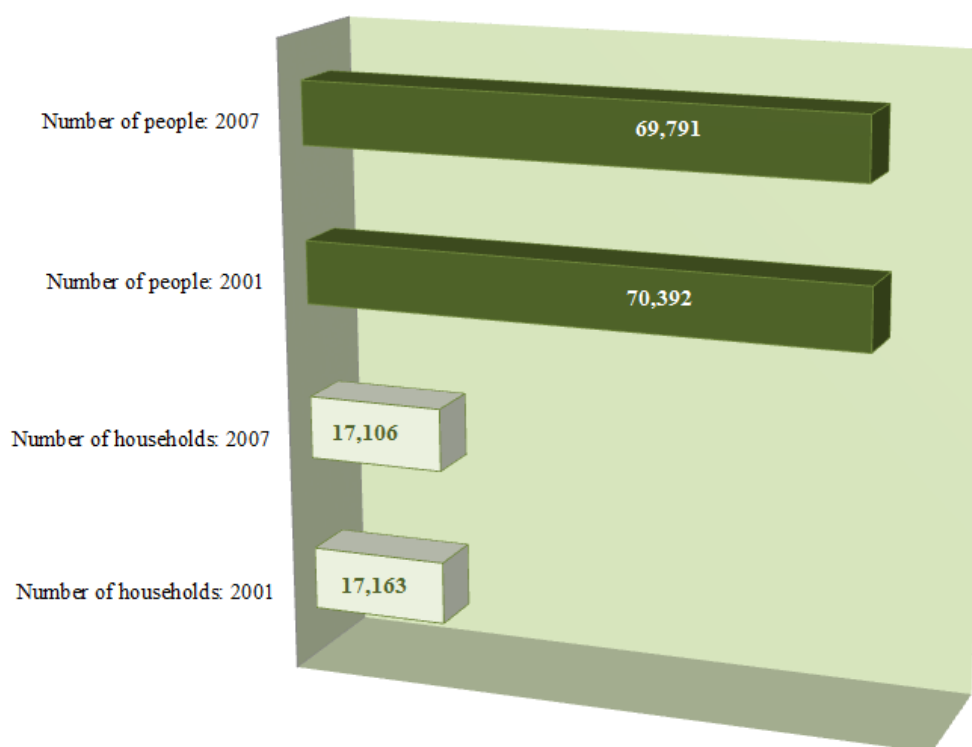
Population according to areas:

The 2001 census divided the municipality into the following main places:^[6]

Place	Area (km ²)	Population
<u>Batlharo Ba Ga Motlware</u>	459.53	37,270
<u>Ga Mohana</u>	2.83	3,674
<u>Gathlose</u>	498.52	116
<u>Kudumane</u>	198.06	14,033
<u>Kuruman</u> Part 1	32.22	0
<u>Kuruman</u> Part 2	93.61	9,824
<u>Mothibistad</u>	2.93	4,626
<i>Remainder of the municipality</i>	3,197.71	849

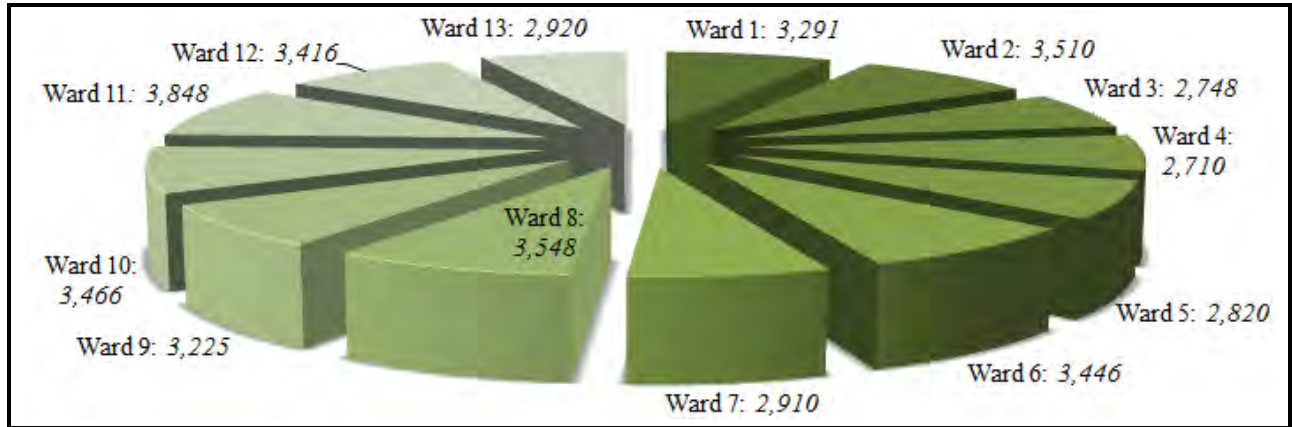
(Source: <http://en.wikipedia.org/wiki/Kuruman>)

Figure / Table 3: Number of persons and households



(Source: StatsSA, 2001, 2007 Census)

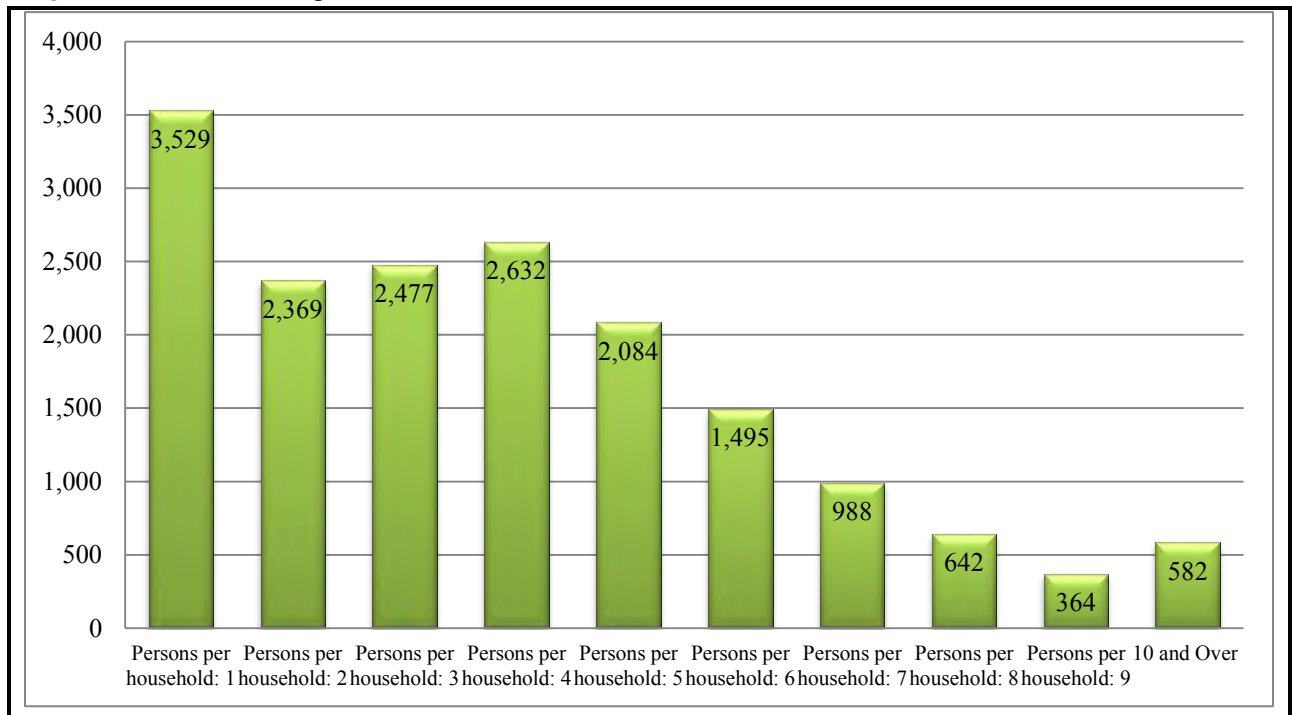
Figure / Table 4: Registered Voters per Ward



(Source: Municipal Demarcation Board)

The population density in the area is approximately 14 persons per square km, which is substantially less than the national average of 32.

Figure / Table 5: Persons per household



(Source: StatsSA, 2001, 2007 Census)

Ga-Segonyana Local Municipality



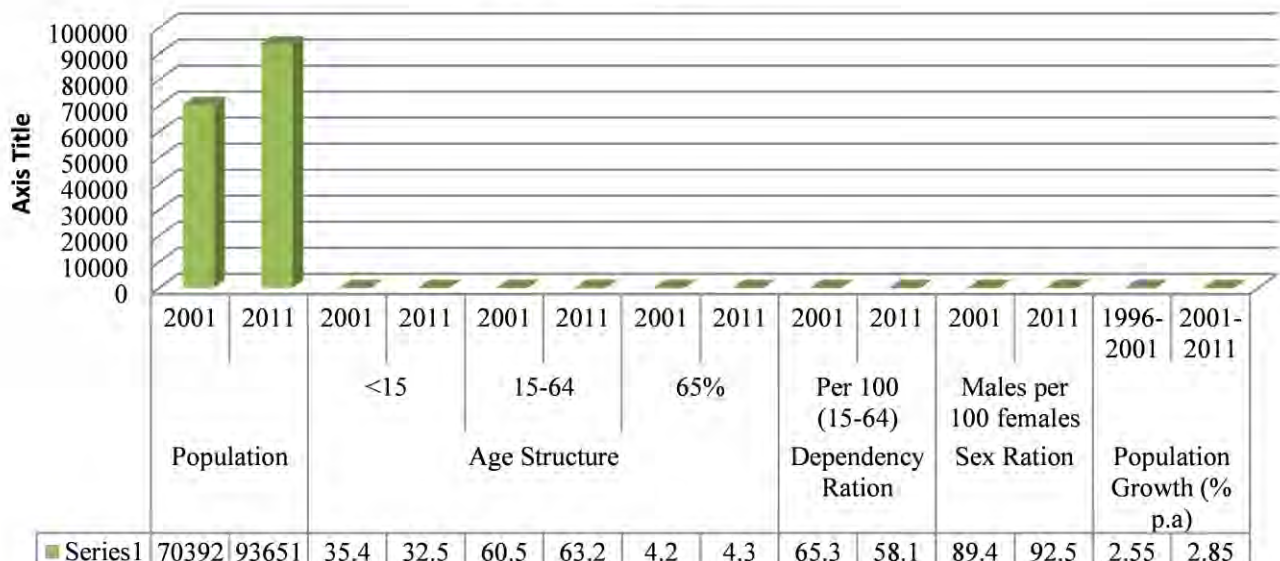
Figure / Table 6: Neighbourhoods



Figure / Table 6: Demographic information according to Census 2011

Population		Age Structure				Dependency Ration				Sex Ration		Population Growth (% p.a)	
		<15		15-64		65%		Per 100 (15-64)		Males per 100 females			
2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	1996-2001	2001-2011
70392	93651	35.4	32.5	60.5	63.2	4.2	4.3	65.3	58.1	89.4	92.5	2.55	2.85

Demographics



(Source: StatsSA, 2011 Census)

Figure / Table 7: Socio Economic Status

	Census 2001	Community Survey 2007
Employed	10195	14579
Unemployed	8517	8758
Not economically Active	24098	18886

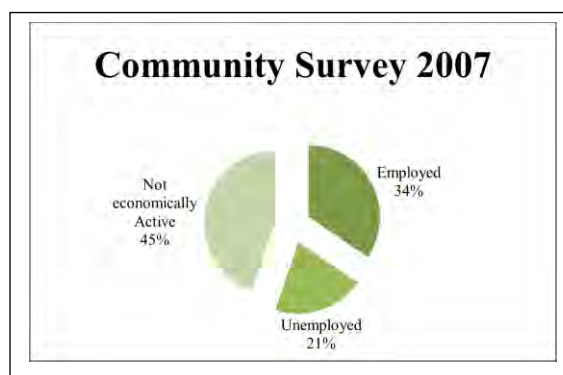
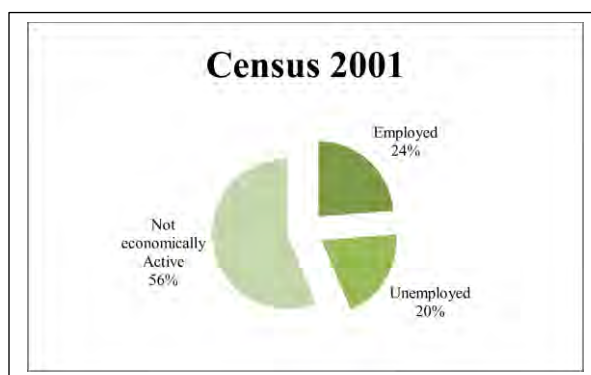


Figure / Table 8: Statistics in terms of Labour and Education according to Census 2011

Unemployment Rate (official)		Unemployment Rate (official)		Education (aged 20+)					
		15-34 years		No Schooling		Higher Education		Matric	
2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
45.5	33.7	56.6	43.2	19.6	9.7	18	24	6	9.5

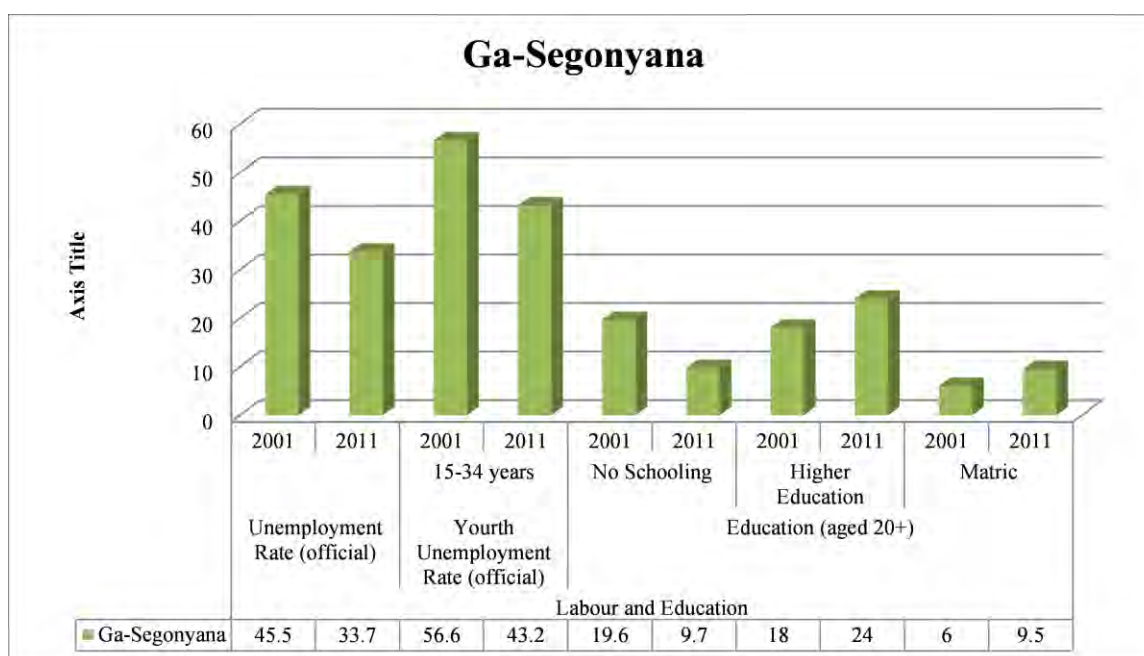
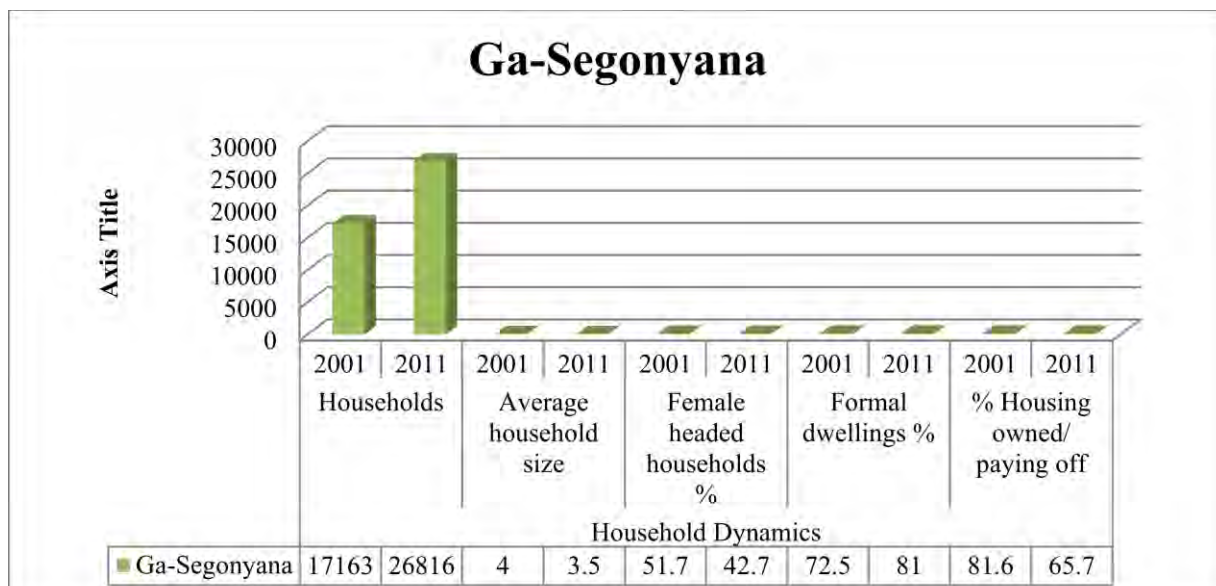


Figure / Table 9: Statistics in terms of Household Dynamics according to Census 2011

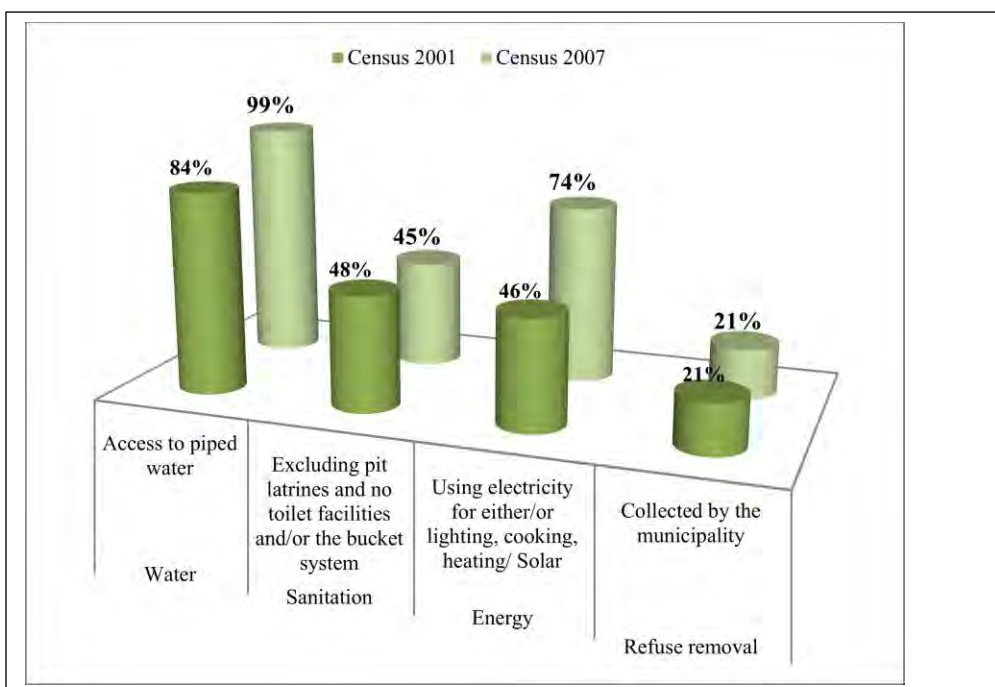
Households		Average household size		Female headed households %		Formal dwellings %		% Housing owned/ paying off	
2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
17163	26816	4	3.5	51.7	42.7	72.5	81	81.6	65.7



(Source: StatsSA, 2011 Census)

1.3 Service Delivery Overview

Figure / Table 10: Basic Services Overview



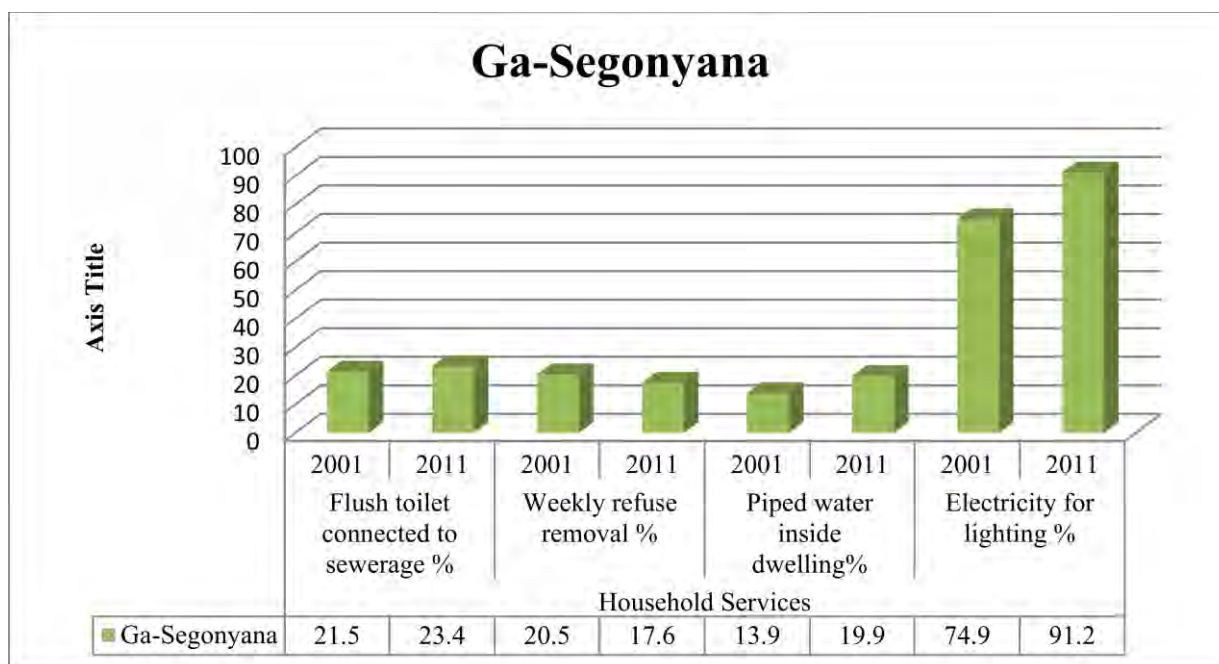
The Municipality has attained important progress with the delivery of basic services between Census 2001 and Community Survey in 2007. The above progress lines represented above are reflected in the Table below:

Figure / Table 11: Basic Services Overview (2)

Access to Basic Services			
Basic Service	Definition	Census 2001	Census 2007
Water	Access to piped water	84%	99%
Sanitation	Excluding pit latrines and no toilet facilities and/or the bucket system	48%	45%
Energy	Using electricity for either/or lighting, cooking, heating/ Solar	46%	74%
Refuse removal	Collected by the municipality	21%	21%

Figure / Table 12: Statistics in terms of Household Services according to Census 2011

Flush toilet connected to sewerage %		Weekly refuse removal %		Piped water inside dwelling%		Electricity for lighting %	
2001	2011	2001	2011	2001	2011	2001	2011
21.5	23.4	20.5	17.6	13.9	19.9	74.9	91.2



(Source: StatsSA, 2011 Census)

1.4 Financial Health Overview

Figure / Table 13: Financial Health Overview

Description R thousands	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Financial Performance										
Property rates	10,809	11,788	13,031	18,474	–	18,474	–	18,829	20,147	21,558
Service charges	41,185	58,111	64,224	63,437	2,000	65,437	–	72,876	77,978	83,436
Investment revenue	187	365	1,184	–	–	–	–	457	489	523
Transfers recognised - operational	34,286	41,617	80,930	64,015	20	64,035	–	71,587	73,387	79,391
Other own revenue	39,009	10,040	17,662	55,207	15,060	70,267	–	32,437	34,708	37,160
Total Revenue (excluding capital transfers and contributions)	125,476	121,921	177,031	201,134	17,079	218,213	–	196,186	206,708	222,067
Employee costs	33,302	39,062	41,854	49,484	(7,384)	42,100	–	51,231	54,817	58,654
Remuneration of councillors	–	–	–	6,298	413	6,710	–	6,205	6,639	7,104
Depreciation & asset impairment	1,699	38,775	40,432	13,058	–	13,058	–	13,028	13,940	14,916
Finance charges	7,709	4,293	4,103	3,742	–	3,742	–	7,137	7,636	8,171
Materials and bulk purchases	15,621	23,225	30,543	43,699	–	43,699	–	49,401	52,859	56,560
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	58,545	55,106	90,183	60,000	18,307	78,307	–	64,517	69,033	73,865
Total Expenditure	116,876	160,460	207,115	176,281	11,335	187,616	–	191,519	204,925	219,270
Surplus/(Deficit)	8,600	(38,538)	(30,084)	24,853	5,744	30,597	–	4,667	1,783	2,797
Transfers recognised - capital	17,098	21,050	27,442	50,474	(5,000)	45,474	–	55,163	58,190	61,554
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	25,698	(17,488)	(2,642)	75,327	744	76,071	–	59,830	59,973	64,351
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	25,698	(17,488)	(2,642)	75,327	744	76,071	–	59,830	59,973	64,351
Capital expenditure & funds sources										
Capital expenditure	24,438	38,251	62,418	61,274	(5,942)	55,332	–	119,860	63,190	68,616
Transfers recognised - capital	17,098	21,050	27,442	50,474	(5,000)	45,474	–	55,163	63,190	68,616
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–

Ga-Segonyana Local Municipality



Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Internally generated funds	7,340	17,201	34,976	8,694	2,500	11,194	–	60,030	–	–
	–	–	–	2,106	(1,100)	1,006	–	4,667	–	–
Total sources of capital funds	24,438	38,251	62,418	61,274	(3,600)	57,674	–	119,860	63,190	68,616
<u>Financial position</u>										
Total current assets	30,845	26,696	25,789	27,078	–	27,078	–	41,562	41,475	40,940
Total non-current assets	155,195	963,435	954,146	947,289	–	947,289	–	1,201,708	1,264,898	1,333,514
Total current liabilities	19,089	17,343	15,469	16,243	–	16,243	–	38,672	6,418	6,782
Total noncurrent liabilities	38,784	39,216	39,172	49,952	2,500	52,452	–	99,135	8,478	8,478
Community wealth/Equity	128,166	933,572	925,293	908,173	(2,500)	905,673	–	1,105,463	1,291,477	1,359,194
<u>Cash flows</u>										
Net cash from (used) operating	98,304	46,135	28,947	29,691	17,460	47,151	–	40,381	45,889	52,785
Net cash from (used) investing	(103,923)	(38,251)	(31,197)	(50,474)	(5,000)	(55,474)	–	(78,446)	(35,961)	(45,980)
Net cash from (used) financing	2,153	(4,993)	(3,889)	(1,227)	–	(1,227)	–	50,784	–	–
Cash/cash equivalents at the year end	922	3,812	(2,328)	(24,337)	12,460	(11,877)	–	842	10,771	17,576
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	1,054	3,813	8	8	–	8	–	70,008	70,008	70,008
Application of cash and investments	(41,112)	(11,998)	(9,952)	(5,666)	–	(8,689)	–	5,435	(17,730)	(16,565)
Balance - surplus (shortfall)	42,166	15,811	9,960	5,674	–	8,697	–	64,573	87,738	86,573
<u>Asset management</u>										
Asset register summary (WDV)	155,191	962,922	955,413	1,016,778	(3,600)	1,013,178	1,131,129	1,131,129	1,194,319	1,262,935
Depreciation & asset impairment	1,699	38,775	40,432	13,058	–	13,058	13,028	13,028	13,940	14,916
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	19,379	22,965	24,557	22,873	3,136	26,009	15,942	15,942	17,058	18,265
<u>Free services</u>										
Cost of Free Basic Services provided	5,027	6,534	12,212	4,684	–	4,684	4,965	4,965	5,312	5,684
Revenue cost of free services provided	–	–	–	–	–	–	3,132	3,132	3,352	3,586
<u>Households below minimum service level</u>										



Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Water:	2	2	–	–	–	–	–	–	–	–
Sanitation/sewerage:	2	1	–	–	–	–	–	–	–	–
Energy:	21	21	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

(Source: 2011/12 Monthly Budget Statement)

1.5 Organisational Development Overview

Figure / Table 14: Municipal Employees per category

Employment Category		Race										
		African		Coloured		Indian		White		Total		Total
		M	F	M	F	M	F	M	F	M	F	
SOC 100	Legislators	13	9	1	1	0	0	1	0	15	10	25
SOC 100	Directors and Corporate Members	1	5	0	0	0	0	0	0	1	5	6
SOC 200	Professionals	6	4	6	1	0	0	1	2	13	7	20
SOC 300	Technicians and Trade Workers	2	0	0	0	0	0	0	0	2	0	2
SOC 400	Community and Personal Service Workers	5	3	1	1	0	0	2	0	8	4	12
SOC 500	Clerical and Administrative Workers	9	19	2	5	0	0	0	6	11	30	41
SOC 700	Machine Operators and Drivers	16	0	1	0	0	0	0	0	17	0	17
SOC 800	Labourers	69	16	17	4	0	0	0	1	86	21	107
Apprentices		0	0	0	0	0	0	0	0	0	0	0
Total			121	56	28	12	0	4	9	153	77	230

(Source: Skills Development Plan)



Figure / Table 15: Total Number of Employees in the Municipality who Received Training

Occupational Levels	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top management	1				1				2
Senior management	2				1				3
Professionally qualified and experienced specialists and mid-management	5	1			9	1			16
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making	5	5							10
TOTAL PERMANENT									
Temporary employees	4				3				7
GRAND TOTAL	17	6			14	1			38

(Source: Employment Equity Report)

Figure / Table 16: Summary Employee Profile Data

Total number of black (African, Coloured Indian)	217
Black employees as a % of total employees	94.35%
Total number of women employees	77
Women employees as a % of total employees	33.48%
Total employees with disabilities	1
Employees with disabilities as a % of total employees	0.004%
Total employees over 51	57
Over 51 employees as a % of total employees	29.15%
Total employees between 31 and 50	142
Employees between 31 and 50 as a % of total employees	61.7%
Total employees under 30	21
Employees under 30 as a % of total employees	58%

Figure / Table 17: Summary Employee Qualification Profile Data

Total number of employees with NQF Level 1 and below	9
Employees with an NQF Level 1 and below as a % of total employees	3.91%
Total number of employees with an NQF Level 2,3 and 4	161
Employees with an NQF Level 2,3 and 4	70.00%
Total number of employees with an NQF Level 5 and above	60
Employees with an NQF Level 5 and above as a % of total employees	26.09%
Total employees in SOC 100 and 200 with an NQF Level 6 and above	11
Employees in SOC 100 and 200 with an NQF Level 6 and above as a % of total employees in those categories	21.57%
Total employees in SOC with an NQF Level 5 and above	0
Employees in SOC 300 with an NQF Level 5 and above as a % of total employees in those categories	0.00%

1.6 Statutory Annual Report Process

The following statutory required annual reporting process has been complied followed during the 2012/13 financial year:

1	Consideration of the 2011/12 IDP Process Plan	July 2012
2	Implementation of the IDP and budget commences	July 2012
3	Compilation of the 2010/11 Annual Performance Report	August 2012
4	Compilation of the 2010/11 Annual Financial Statements	August 2012
5	Draft Annual Report (Performance Report and Annual Financial Statements submitted to the AG)	August 2012
6	Auditor-General assessed the 2010/11 Annual Financial Statements and Performance Report	September – October 2012
7	Municipality received back the Auditor-General's comments and start addressing issues raised	November 2012
8	Compilation of the 2010/11 Annual Report	January 2013
9	Public comments regarding the Annual Report is invited	February 2013
10	2010/11 Oversight Process	March 2013
11	Public inputs for the purposes of finalising the Oversight Report is invited	March 2013
12	Annual Report, Annual Financial Statements and Audit Management Letters considered with service planning for 2011/12	March 2013



Chapter 2

Governance



Chapter 2 – Governance

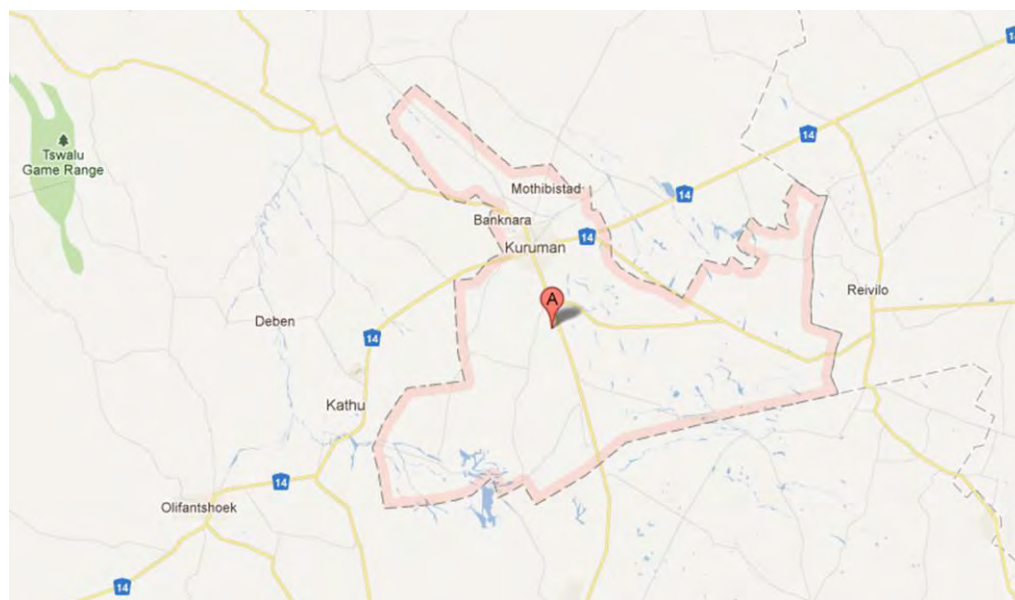
Component A: Political and Administrative Governance

Ga-Segonyana Municipality is a South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998). The municipality has thirteen wards.

Figure / Table 18: Wards of the Ga-Segonyana Local Municipality (February 2009)

Ward 1	3291 voters
Ward 2	3510 voters
Ward 3	2748 voters
Ward 4	2710 voters
Ward 5	2820 voters
Ward 6	3443 voters
Ward 7	2910 voters
Ward 8	3548 voters
Ward 9	3225 voters
Ward 10	3466 voters
Ward 11	2848 voters
Ward 12	3416 voters
Ward 13	2920 voters
Total	40858 voters

(Source: http://www.demarcation.org.za/pages/default_new.html)



(Source: <https://maps.google.com/maps>)

2.1 Political and Administrative Governance



Mayor:
Cllr T.G. Anthony



Speaker:
Cllr T.E. Meyers



Municipal Manager
Edward Ntefeng
Appointed: 1 July 2012



Chief Financial Officer
Mangela Semana



Manager Community Services
Pinsky Mdaape



**Acting Manager
Technical Services**
Maletsatsi Manhe



**Acting Manager
Corporate Services**
Peter Toto

Mayor	T.G. Anthony	Speaker	T.E. Meyers
Executive Committee	T.G. Anthony - <i>Chairperson</i> F.P. Beyleveld K.A. Kelkabile B.E. Modise	IDP Standing Committee	T.G. Anthony - <i>Chairperson</i> N.S. Bloem T.H. Lekgetho K.R. Mekwati R.R. Molelekwa M.J. Polelo



Finance Standing Committee	K.A. Kelkabile - <i>Chairperson</i> P.Q. Mogatle B.A. Motlatsi N.G. Morogong L.S. Motingwe N.G. Thupaemang	Human Resources Standing Committee	B.E. Modise - <i>Chairperson</i> K. Bless K.B. Madkize B.M. Mosegedi T.T. Tlhokonyane
Community Services Standing Committee	F.P. Beyleveld - <i>Chairperson</i> G.C. Assegai M.C. Laberegane L.C. Rapeleng S.M. Rayn		

2.1.1 Ward Committees

Figure / Table 19: Ward Committee Members

WARD 1 COMMITTEE MEMBERS	WARD 2 COMMITTEE MEMBERS
Sean Fatheringham	Agnes Moolman (Secretary)
Chistelle Terblanche	Patricia Toli
Gosegomang Moseki	Pricilla Malope
Keabetswe Oliphant (Secretary)	Neslietlatsweng
Thabo Dipone	Kenalemang M Marara
Mpho Barnard	Keobiditse Nels
Iris Maroro	Selinah Lesley
Christoffel Kruger	Mary Free
Engele Jeppe	Tidimalo Nkutlwang
Martha Maakhomtane	Mahore Patric Senatle

WARD 3 COMMITTEE MEMBERS	WARD 4 COMMITTEE MEMBERS
Paseka Tlhapi	Amogelang Molelekwa (Secretary)
Rapelang Visagie	Agnes Metswe
Kenosi Gladys	Ontiretse Molebalwa
Oatlotse Melore	Keatlatsetse Selefō
Letlhogonolo Gollelwang	Margretfeifer
Keolebogile Jantjie	Isaac Klien



Oarabile Moeng (Secretary)	Sapelo Brown
Tebogo Mecwi	Naledi Motsaathebe
Lesangkgang Moagi	Odirile Lekgetho
Kgakololo Mooki	Neo Leboko

WARD 5 COMMITTEE MEMBERS	WARD 6 COMMITTEE MEMBERS
Oarabile Lopang Okgethile	Lopang Debruin (Secretary)
Masego Rejoice Mongwegi	Mamah Sehularo
Segomotso Millicent Matlhole	Tlou Masegela
Banzi Ernest Sebotse	Motlagomang Mamokgele
Goratomang Victoria Hambira	Matlaasione Oepeng
Keaobaka Isaah Sesenyi	Bakang Mabutlwane
Filicity Thobeka Mthinthelwa (Secretary)	Nosipho Bosman
Christopher Coolio Meruti	Tshwaro Mmolaemg
Seleke Gaitsiwe	Ohentse Kedithibetse
Velilealregdekies	Kelebogile Adams

WARD 7 COMMITTEE MEMBERS	WARD 6 COMMITTEE MEMBERS
Kabelo Thekisho	M.V. Monnagaaratwe
Kewetse Motlhaleemang	Onkgomoditswe Gabaneelwe
Papolo Olepeng	Keitumetse Itumeleng
Nicker Modukanele	Keitumetse Fonang
Charles Mocumi	Obakeng Koena (Secretary)
Ogomoditswe Thupe	Ruth Makatong
Mathapelo Otumiseng	Mary Thoteng
Kamogelo Mokgabi	Sanah Sepadile
Ntebogng Bosiamang	Tsholofelo Lekula
Mooketsa Kesiamang (Secretary)	Precious Jonathan

WARD 9 COMMITTEE MEMBERS	WARD 10 COMMITTEE MEMBERS
Bohutsana Martse	Mothusi Dichabe (Secretary)
Biopelo Mereyotlhe	Tebogo Lekgetho
Kehusitese Kgosiengwang	Dikgagamatso Mokgosi
David Mothibatsela	Kitsisho Keopilwe
Obenne Simon Johannes	Keletso Jackson
Baleseng Mokgothu	Tshegofatso Maree
Dimakatso Hartebees	Bontle Peter
Mpho Keosentse	Itumeleng Tshetshemeserogwe
Ntombi Leero	Nomthandazo Baleka
Kagiso Sehemo (Secretary)	Kgomotso Motseohatse



WARD 11 COMMITTEE MEMBERS	WARD 12 COMMITTEE MEMBERS
Tebogo Gabaya	Margaret Matube
Khanene Kenosi	Montsilwane Molatlhegi
Robenson Makoko	Mosimanegape Olepeng
Tuelo Tsinyane (Secretary)	Agnes Gaetsewe (Secretary)
Tebogo Seleke	Keolebogile Petrus
Onkarabile Mocwane	Mmoledi Chiri
Kesebonye Melekwe	Raymond Segami
Aobakwe Morapedi	Lizzy Moruri
Kennetseng Kanjeruba	Kedieme Leserwane
Kereng Kenosi	Nelly Makoke

WARD 13 COMMITTEE MEMBERS
Glen Godi
Joyce Kgatlane
Voilet Coetzee
Barend Albertus Eiman
Adlid S. Nkanbutle (Secretary)
Ivor Ferris
Boipelo Kanjeruba
Samuel Kat
Julia Klien
Martha Greef

Component B: Intergovernmental Relations

Intergovernmental Forums utilised by the Ga-Segonyana Local Municipality:

- Premier's Coordinating Forum (MM and Mayor)
- Premier's Coordinating Technical Forum (MM and Technical Managers)
- SALGA: LED Committee, Finance Committee, Corporate Governance Committee
- Province:
- DWA: Bulk Water Committee
- COGTA: Infrastructure Forum
- District: DME and Electricity Forum, LED Forum, Finance Forum, Technical Forum

Component C: Public Accountability and Participation

The Ga-Segonyana municipality has put in place specific arrangements to ensure the realisation of public accountability in and between its political and administrative branches. These arrangements include the following:

- The separation of duties, with a formal, written set of delegation of powers and authority to arrange the relationship among these various structures.
- Institutional controls, including information systems, administrative policies, plans and strategies.
- The implementation of strategic planning arrangements (IDP, SDBIPs) to formalise Council's performance priorities and guide managers in their operational activities.
- The implementation of a performance management system to monitor and evaluation the performance of the municipality and its managers against the IDP and SDBIP objectives and targets.
- An Audit Committee (shared service with the district) evaluate the service delivery and financial performance of the municipality and advise Council and management regarding appropriate improvement enhancing initiatives and controls.

The Municipality involve our communities in its affairs by means of public advertisements of the Integrated Development Plan and Service Delivery and Budget Implementation Plan, as well as its performance plans, with specific reference to the Annual Report. They also advertise the activities of the Oversight Report and invite participation from their communities.

The community also participate through the structures of the IDP Representative Forum and the annual IDP and budget road shows that we conduct annually. Politicians and managers also conduct public engagement session when major new (or reviewed) by-laws, policies, strategic or sector plans and strategies are considered.

2.2 IDP Participation and Alignment

The Municipality compiles its IDP in terms of the relevant laws and regulations; implying the following:

- The municipality has identified impact, outcome, input and output indicators
- The IDP contains priorities, key performance indicators and development strategies
- The IDP has short, medium and long-term strategic targets
- The budget is alignment with the performance indicators and targets from the IDP
- The IDP is aligned to the performance agreements of section 57 managers
- The IDP indicators and targets are translated into in-year performance indicators and targets through the SDBIP
- The IDP and SDBIP indicators are translated to the public
- A mid-year budget and performance report and an Annual Report were compiled to reflect performance in terms of the IDP and SDBIP



Persisting challenges that reduce the efficiency of existing community engagement structures and processes include the following:

- Communities are not satisfied with the manner in which information about municipal affairs are filtered down to them.
- Communities are scattered over the vast area of the Municipality and do not attend meetings well.
- IDP and budget road shows are often used by the community as Imbizos (complaint sessions, rather than information gathering events).
- The Agendas for Council meetings are not properly informed by the needs of the community as expressed during community meetings. Structures need to be streamlined to translate community needs into Council discussion points.
- Ward committee members are not well trained and ward committee meetings are not always well advertised.
- There is an urgent need for communities to be informed about key municipal processes; especially the Budget and IDP.
- The demarcations of wards cause a lot of problems, including large distances and scattered villages).
- The Ga-Segonyana area has been classified as nodal area, but no tangible assistance is forthcoming from national and provincial government.
- There is a huge influx of people from rural, lesser developed areas to the municipal area, which put an additional burden on service delivery.
- Unlawful land invasions – e.g. Mothibistad represents a stumbling block to sustained growth in the municipal area.
- Traditional leaders do not communicate capacity constraints of the municipality.
- There are no internal programmes to meet with the community; imbizos are teamed up with IDP and Budget Road Shows.
- Government Department and other stakeholders do not attend community meetings when invited.
- Lack of mechanisms to address issues identified during community meetings.

A challenge in respect of **ward committees** is that the functionality of some ward committees; especially the non-functionality of the ward committee in ward 1 (Ward 1 inhabitants do not attend meetings well). (Meetings in ward 1 and 2 meetings are integrated).

Component D: Corporate Governance

The Municipality has considerably strengthened its corporate governance capacity with implementation of an Audit Committee and the approval of an Anti-fraud and Corruption Policy.

2.3 Risk Management

A shared services agreement has been entered into with the District Municipality for the municipality to participate in the activities of the district's Audit Committee. A risk management plan has since been compiled; which will inform the 2011/12 internal audit plan of the municipality.



The Municipality has identified the following five key risks:

- Land related issues
- Lack of skills
- Loss of information
- Inadequate funding requirements versus IDP
- Low staff morale

2.4 Anti-Corruption and Fraud

The terms fraud and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act,
- Forgery or alteration of any document, or account belonging to a customer,
- Forgery or alteration of a cheque, bank draft, or any other financial document,
- Misappropriation of funds, securities, supplies, or other assets,
- Impropropriety in the handling or reporting of money of financial transactions,
- Accepting or seeking anything of (material) value from vendors or persons providing services/materials to the council (exception: perishable gift less than R100.00 in value intended for a group of employees, such as, (candy, flowers), and which are disclosed.
- Destruction or disappearance of records, furniture, fixtures, or equipment,
- Disclosing to outside persons security arrangement and procedures.
- Irregularities with procurement.

The Municipality has adopted an Antifraud and Corruption strategy which has the following strategic objectives:

- To pro-actively manage the anti-fraud responsibilities of the municipality;
- To provide employee guidance if fraud is suspected;
- To issue a clear statement forbidding misconduct, and to popularise this statement amongst all employees;
- To concentrate the responsibility for investigating possible instances of fraud and corruption in a central, non-bias office;
- To issue assurances to all personnel that fraud will be fully investigated;
- To issues clear protection guidelines for those reporting suspected fraud;
- To adopt and apply the norms, standards and principles of the National Anti-Corruption Forum; and
- To create a suitable environment for fraud prevention.

The municipality has further also introduced the following measures to combat fraud and corruption in its ranks:

- No politicians are involved in municipal procurement processes;
- A shared Internal Auditor's service to strengthen the municipality's capacity to assess administrative, financial, management and performance systems, processes and procedures;
- An Audit Committee will be appointed in collaboration with the District; and
- Introducing measures to enforce the Code of Conduct for councillors and officials.

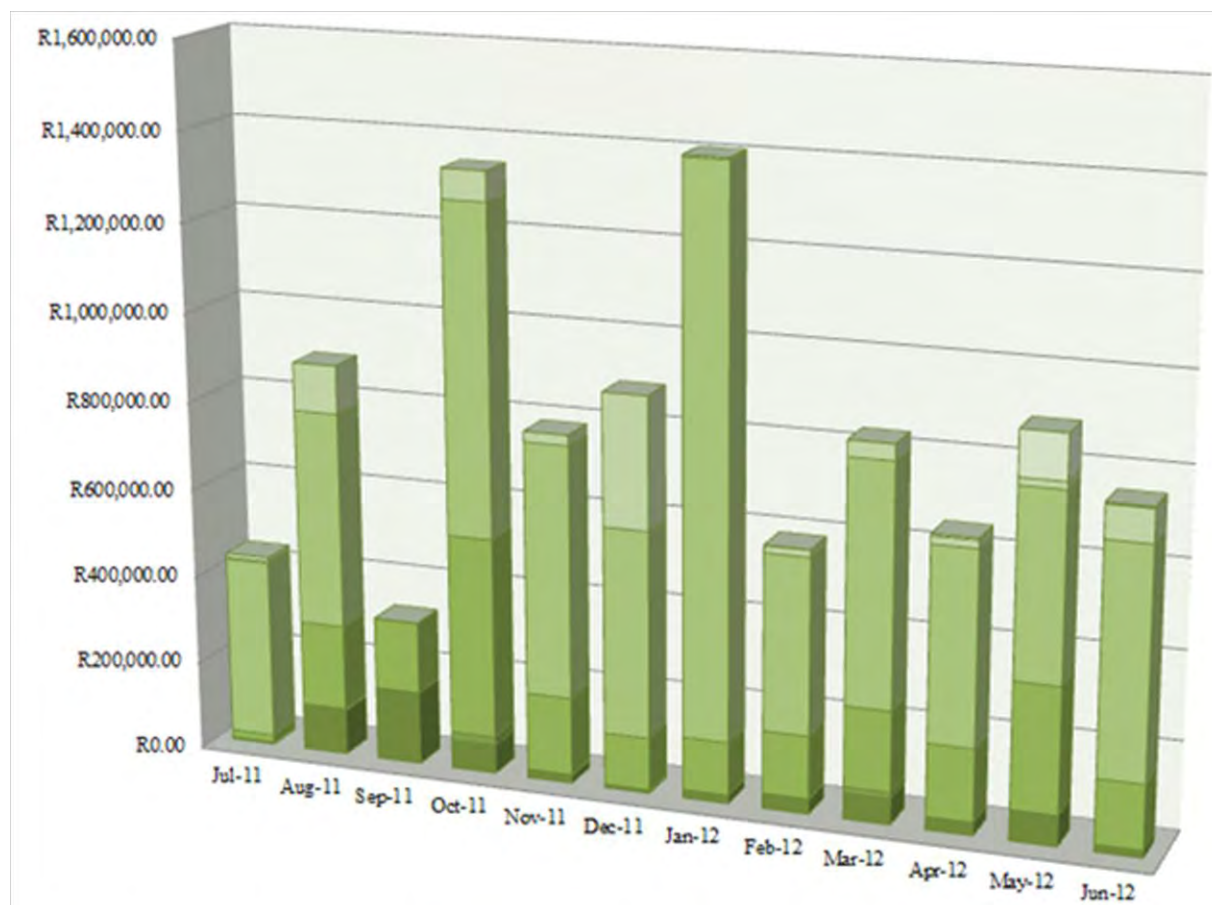
2.5 Supply Chain Management

The Council implemented a Supply Chain Management policy and system. The policy regulates the procurement of goods and services for the municipality; as well as the management of and control over major municipal assets.

During the 2011/12 financial year, orders and procurement from the operating budget were as follows:

Figure / Table 20: Orders and Procurement, 2011/12

Month	Financial Services	Corporate Services	Community Services	Technical Services	Municipal Manager	Capital Projects
Jul-11	R3,385.80	R1,684.34	R17,044.03	R404,790.90	R4,233.52	R8,408.92
Aug-11	R101,861.45	R4,446.49	R192,101.54	R486,323.82	R108,516.21	R0.00
Sep-11	R165,172.79	R449.80	R160,466.66	R966.05	R0.00	R0.00
Oct-11	R65,571.80	R18,624.30	R451,869.10	R741,772.25	R66,825.13	R300.00
Nov-11	R17,784.50	R2,237.84	R176,083.16	R567,267.40	R23,267.73	R0.00
Dec-11	R4,410.14	R4,064.43	R118,074.77	R465,473.46	R296,805.90	R0.00
Jan-12	R19,303.17	R340.00	R119,395.58	R1,262,276.34	R4,662.31	R0.00
Feb-12	R33,051.00	R2,074.54	R141,072.48	R396,041.54	R15,491.72	R1,288.95
Mar-12	R59,690.60	R13,753.72	R180,780.94	R543,474.67	R36,348.49	R220.08
Apr-12	R30,066.74	R0.00	R163,430.99	R435,157.84	R17,483.81	R4,473.36
May-12	R69,567.75	R239.99	R282,171.31	R419,328.26	R17,069.40	R101,841.20
Jun-12	R17,397.89	R0.00	R144,743.70	R513,525.54	R74,471.70	R3,335.46



2.6 Web-site (www.ga-segonyana.gov.za)

The municipality maintains a web-site at www.ga-segonyana.gov.za. Although it has not been fully populated by the closing of the 2011/12 financial year, the loading of the required documentation onto the municipality's web-site is currently enjoying attention:

- Current annual and adjustment budgets and related budget documentation
- All current budget-related policies
- The Annual Report
- The current performance agreements of section 57 managers
- All service delivery agreements
- All long-term borrowing contracts
- All supply chain management contracts above the prescribed value
- An information statement containing a list of assets over a prescribed value that has been disposed of in terms of section 14 (2) and (4) of the Municipal Finance Management Act, 2003
- Public-private partnerships agreements entered into by the municipality (if any)
- All quarterly performance reports



Chapter 3

Service Delivery Performance



Chapter 3 – Service Delivery Performance

Challenges in terms of Service Delivery

Department of Finances

- To improve Audit opinion - Disclaimer
- Increasing debt due to non-culture payment
- Manual meter readings
- Compliance challenges in terms of the prescribe supply chain processes
- Inadequate funding to address aging infrastructure
- Data integrity both for billing and meters installed
- Validate the correction of indigent register
- Reviewing of internal control
- Affordability of long term borrowing

Department Corporate Services and LED

- Development and servicing of both residential and business sites.
- Illegal land invasion
- Improve Audit disclaimer
- Growing debt
- Bulk electricity supply hampering development
- Bulk water supply hampering development

Technical Challenges

- Ga-Segonyana Local Municipality is growing at a rapid pace, as a result, it impacts negatively on the following:
 - Current Organisational Structure does not address the service delivery demands
- Land invasion hamper planning
- Allocation of site by tribal authority without consulting the Municipality
- There are thirty (30) rural villages which are vastly located, of which residents are not paying services but the municipality is providing services to them.
- Aging infrastructure –
- Bulk infrastructure has reached its maximum capacity – hamper the growth of Ga-segonyana economy
- Dolomitic area – possible of sink holes which may result in a sudden collapse of Kururman resevoir

Local Economic Development

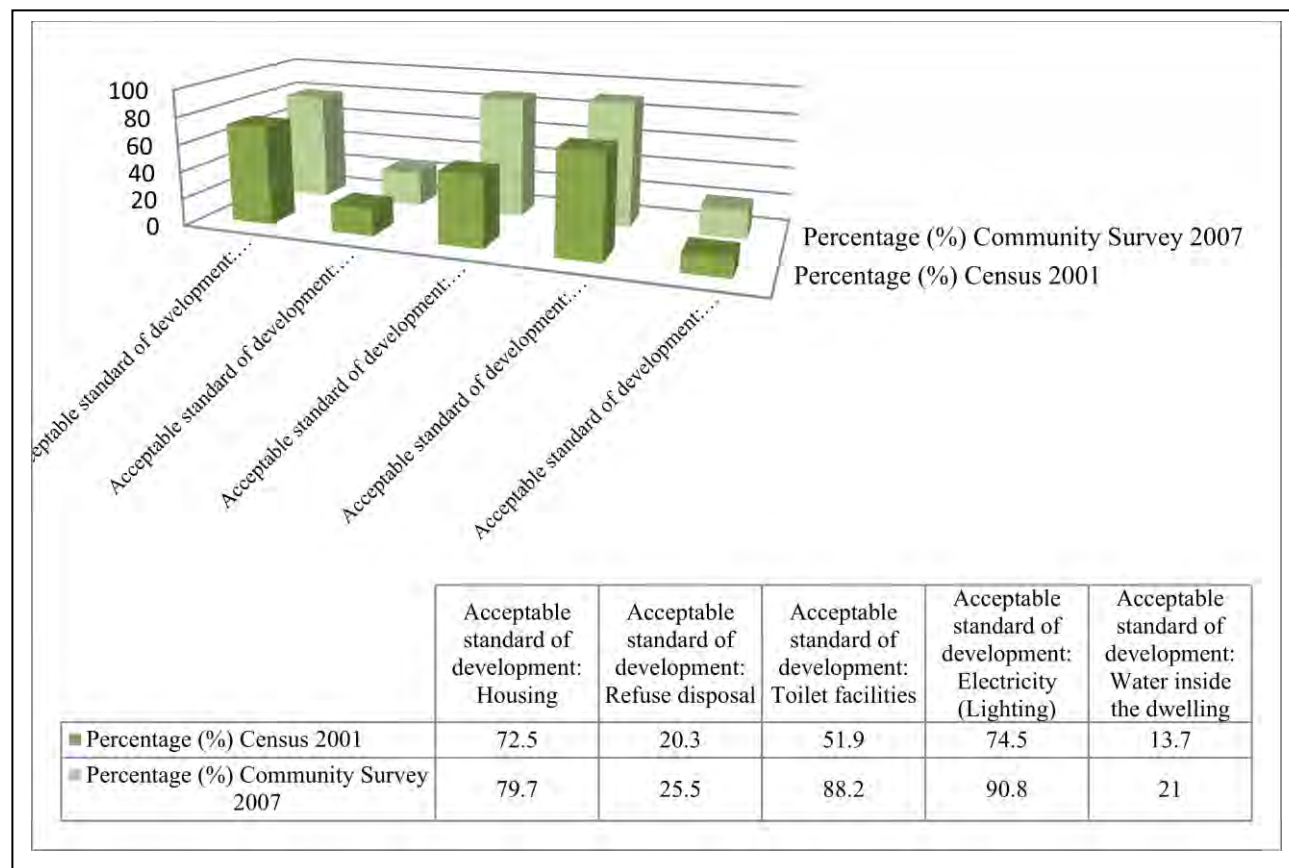
- Development and servicing of both residential and business sites.
- Illegal land invasion
- Bulk electricity supply hampering development
- Bulk water supply hampering development

Component A: Basic Services

If the results of Census 2001 are compared with those of the 2007 Community Survey, the progress that the Municipality has made with service delivery in respect of ensuring access to key basic services are evident:

Figure / Table 21: Comparison: Access to key basic services: 2001 vs 2007

Performance Indicator: Basic Services	Percentage (%)	
	Census 2001	Community Survey 2007
Acceptable standard of development: Housing	72.5	79.7
Acceptable standard of development: Refuse disposal	20.3	25.5
Acceptable standard of development: Toilet facilities	51.9	88.2
Acceptable standard of development: Electricity (Lighting)	74.5	90.8
Acceptable standard of development: Water inside the dwelling	13.7	21.0

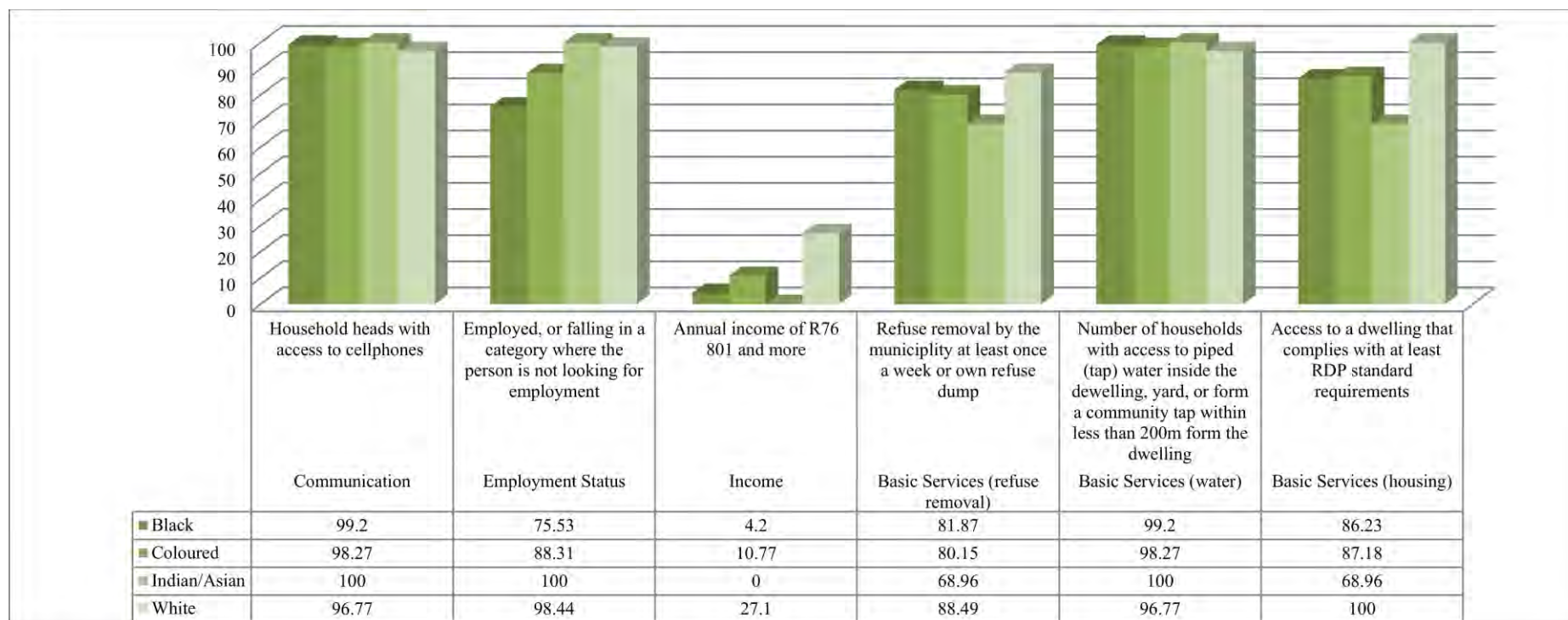


(Source: Census 2001 and Community Survey, 2007)

If a comparative analysis based on a number of key development indicators is done (see Figure below) it is clear that the main development gap in the Phumelela area of jurisdiction is still primarily in among the African and Coloured population groups.

Figure / Table 22: Access to basic services (profile)

Area	Standard Indicator	Black	Coloured	Indian/Asian	White
Communication	Household heads with access to cellphones	99.2	98.27	100	96.77
Employment Status	Employed, or falling in a category where the person is not looking for employment	75.53	88.31	100	98.44
Income	Annual income of R76 801 and more	4.2	10.77	0	27.1
Basic Services (refuse removal)	Refuse removal by the municipality at least once a week or own refuse dump	81.87	80.15	68.96	88.49
Basic Services (water)	Number of households with access to piped (tap) water inside the dwelling, yard, or form a community tap within less than 200m form the dwelling	99.2	98.27	100	96.77
Basic Services (housing)	Access to a dwelling that complies with at least RDP standard requirements	86.23	87.18	68.96	100



(Source: Community Survey, 2007)

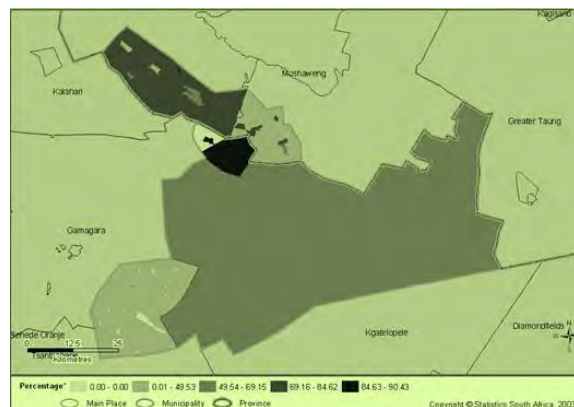
It is evident from the above-mentioned statistics that the Municipality still faces challenges in terms of local economic development.

3.1 Water Provision

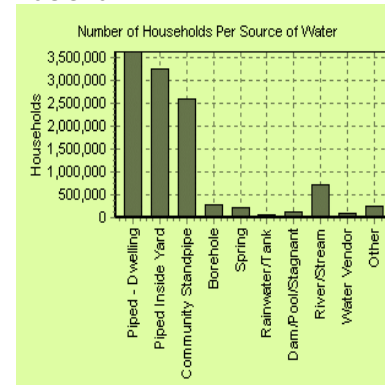
Access to water is a human right and provided for in the Constitution S27 1(b). Although local government has the primary constitutional obligation to deliver basic services, the national and provincial government have to play a significant role in supporting municipalities to fulfil these obligations. According to the census statistics of Census 2001, Ga-Segonyana has a backlog of 6 584 households who did not have access to a potable water supply within 200 m of the dwelling. The target and aim that have been worked towards over the past four years is to provide all these households with access to a potable water supply within 200 m of the dwelling as soon as possible.

3.3.1 Statistical Overview

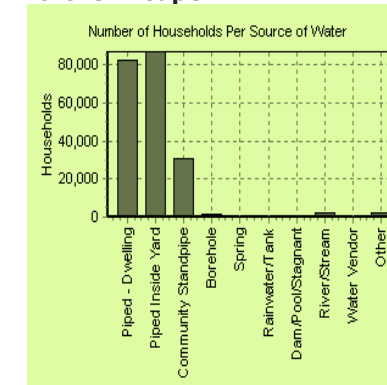
Figure / Table 23: Percentage Households with Access to Piped Water, 2001¹



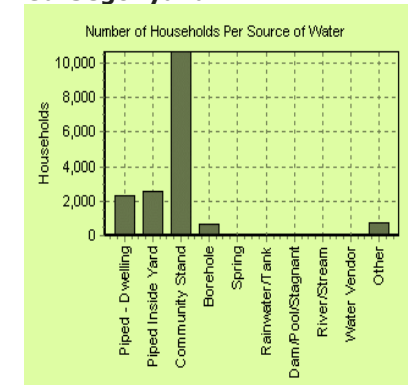
National



Northern Cape



Ga-Segonyana



¹ Source: Census 2001, digital census atlas (Stats SA)

Table / Figure 24: Source of water (households)

Percentage distribution of households by main source of water

Water

Category	Census 2001	CS 2007
Piped water inside dwelling	13.7	21.0
Piped water inside yard	14.8	24.6
Piped water from point outside the yard	62.1	52.9
Boreholes	4.0	0.8
Spring	0.0	0.2
Dam or pool	0.5	0.3
River or stream	0.3	0.0
Water vendor	0.1	0.0
Rainwater tank	0.2	0.0
Other	4.3	0.3

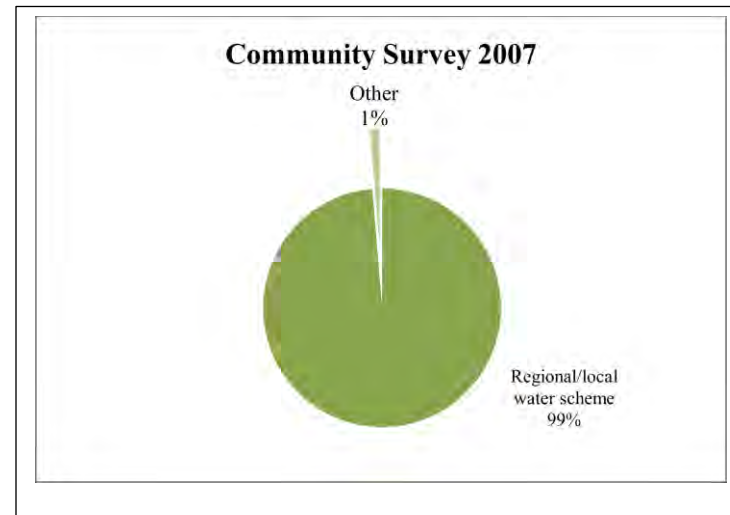
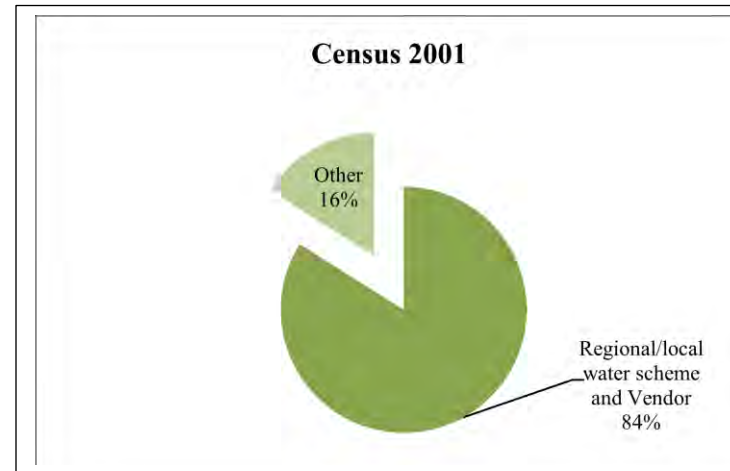
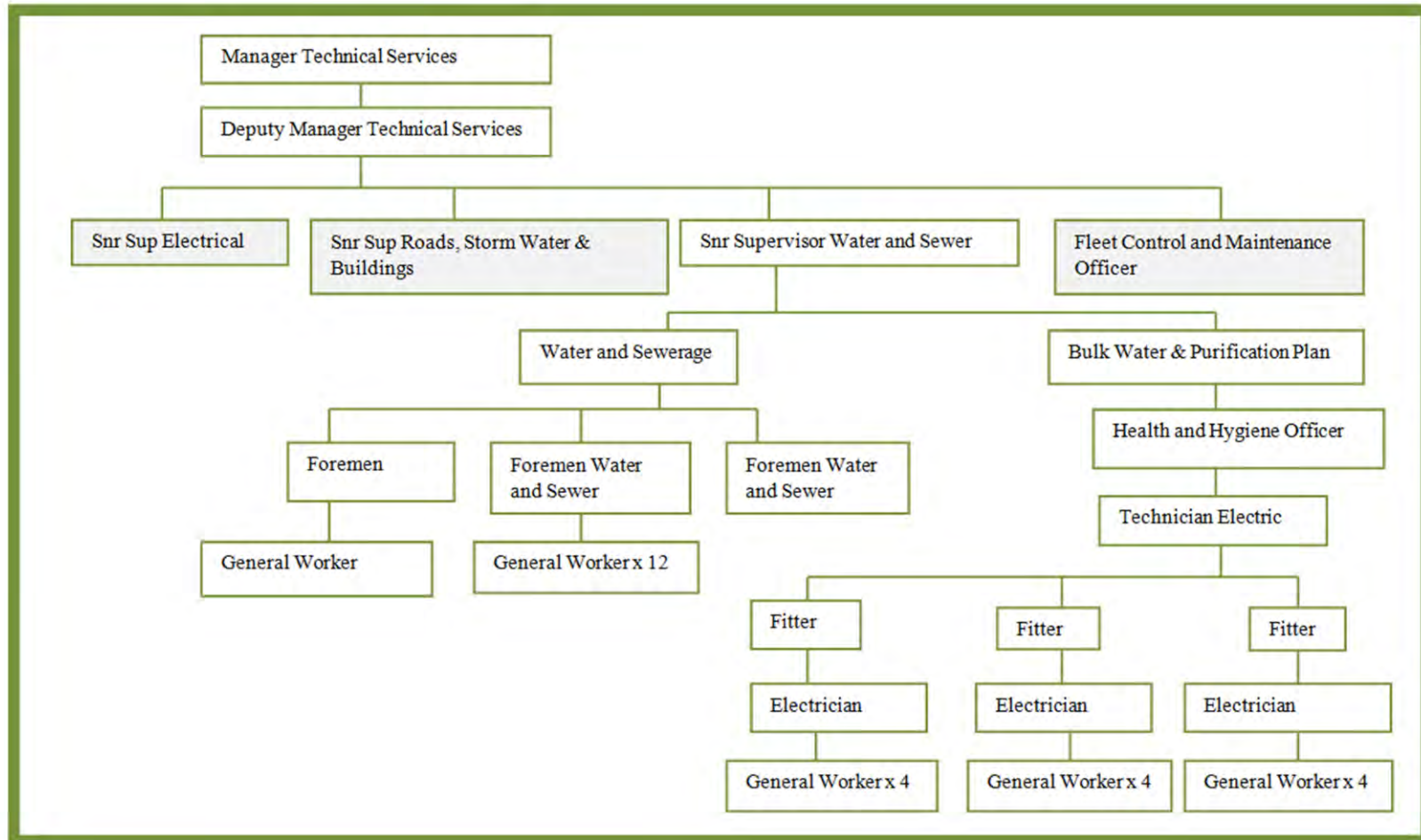


Figure / Table 25: Organogram

Technical Department 3





Actual performance against SDBIP targets set for the 2011/12 Financial Year

Strategic Objective	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target : Quarter 3	Actual : Q3	Target : Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator or 2012/13	Projected Performance Target 2012/ 13
IDP Development Objective: <i>To ensure that all rural residential areas, with the exception of in-fills, have at least RDP level of water depending on financial allocations and available resources</i>																
To ensure that 100% of registered indigents receive free basic services / subsidies	To ensure that 100% of registered indigents receive free basic services / subsidies	% of registered indigents receiving free basic services / subsidies	100%	100%	70%	100%	70%	100%	70%	100%	70%	There was a challenge with services to indigents in the Bankhar a-Bodulong area. All other areas are receiving	New objectives/ targets as set for the 2011/12 Financial Year	Not set as a target for the financial year	To ensure that 100% of registered indigents receive free basic services	Develop an Indigent register: Base-line refer to 1 for wards 1-3; target of 1 in quarter 1 refer to BB and target in quarter 2 [1] to ward 8
	To provide 6kiloliter free water to indigent households per	Percentage of registered indigents	All registered indigents	All registered indigents	70%	All registered indigents	70%	All registered indigents	70%	All registered indigents	70%	g services . The Office in the area was not operational for	New objectives/ targets as set for the 2011/12 Financial	Not set as a target for the financial year	To provide 6kiloliter free water to indigent households per	% of registered indigents receiving free basic services / subsidies; target 85%



Strategic Objective	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target : Quarter 3	Actual : Q3	Target : Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
	month											most of the financial year	al Year		month	
To ensure that the Administration continues without interruptions	To install pre-paid water meters on standpipes	Installing prepaid meters		10	10	5	5	20	20	15	15	In line with the figures on the MIG applications	Number of prepaid meters installed	The water project has been completed. Gantaet along 12 new standpipes and 15 sevenmiles and 12 where replaced . Targets achieved: Target = 25; delivered = 39	Number of prepaid meters installed	Q1: 10 Q2: 5 Q3:20 Q4:15 Total: 50
		Households receiving		0	0	30	30	135	135	200	200	In line with the	Km of pipes	Total 5,64km	Number of	Q2: 30

Ga-Segonyana Local Municipality



Strategic Objective	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target : Quarter 3	Actual : Q3	Target : Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
		RDP standard of water										figures on the MIG applications	laid to extending the current services	of pipes have been laid in Gantatelang (completed) and 9,1km for Seven miles.	households receiving at least RDP standard of water	Q3:135 Q4:200 Total: 365
To ensure the effective management of water resources	To effectively maintain the Sedibeng Water maintenance programme	Sedibeng Water services maintenance programme	Budget amount	R819,500	100%	R819,500	100%	R819,500	100%	R3,278,000	100%	Amounts indicated were just a guideline. All money has been utilised	Expenditure to maintain uninterrupted water supplies to targeted villages	The expenditure on Sedibeng to date is R 3 278 000,00. (Only for the villages - 3,4,5,6, 7,8,9,10,11 and 13). Ward 1,2 and 12 - responsibility of the Municipality	% of DWA funding utilized Budget amount	Q1: 819500 Q2: 819500 Q3: 819500 Q4: 3278000



Strategic Objective	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target : Quarter 3	Actual : Q3	Target : Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
	To drill and equip two boreholes	Number of boreholes drilled and equipped	Number of boreholes equipped	Equipped							2	Project Complete	Number of boreholes drilled	Mothibstad: 4 boreholes the contract or is on site. 5 borehole for Maruping water project.	Number of boreholes equipped	2
	To increase the capacity of reservoirs in Kuruman	Reservoir study and planning	0							R4,5 million	Payment of design stage: DBS A. For planning stage	Municipality is sourcing funding, because funding is inadequate for implementation . DWA's R40 million is inadequate	Study Business plan	The Business plan has been submitted to MIG and Local Mines Immediate need to increase capacity . By-pass line available that will	Progress in terms of available funding	45000000



Strategic Objective	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target : Quarter 3	Actual : Q3	Target : Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
														provide water, should the reservoir collapse		
													Steel reservoirs elevated	Extension of the Gantatel and steel reservoir. Preparing application to MIG. Completed: The Mothibstad Steel water Booster Storage has been completed.	Progress with the finalisation of the water study	1 study to be completed in the 2 nd quarter
															To complete the upgrading of	Stage of completion Target: Phase II: (Finalized)



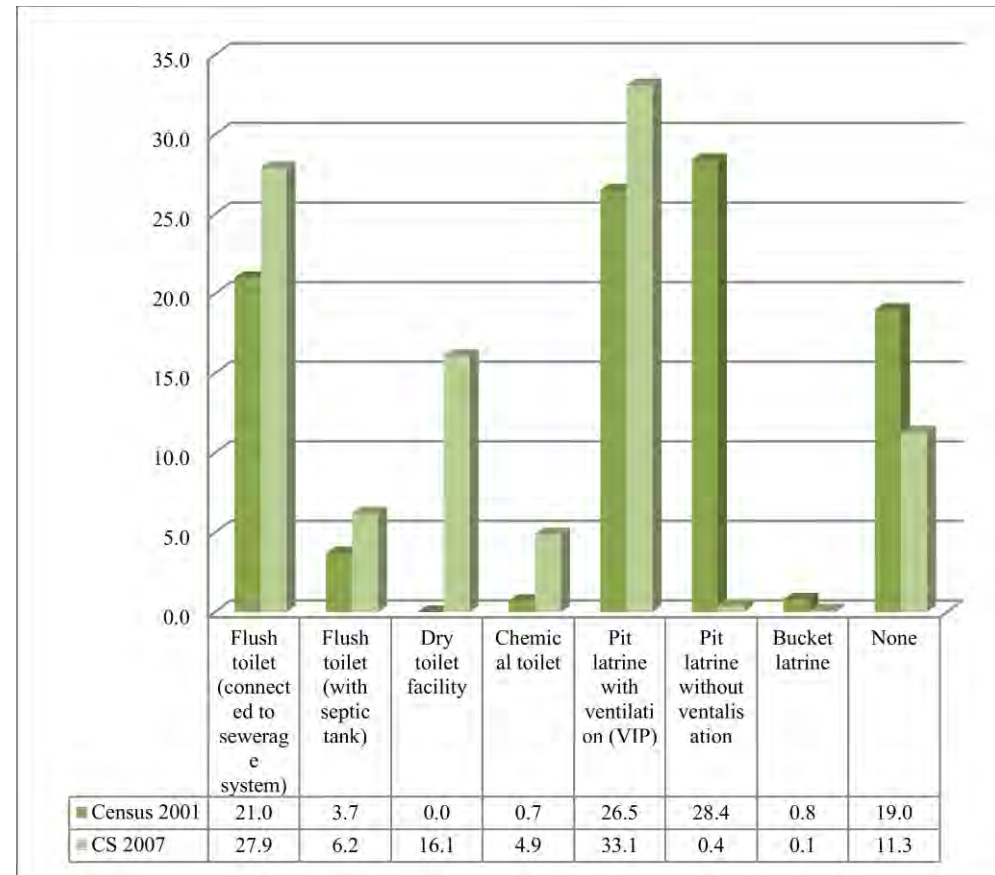
Strategic Objective	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target : Quarter 3	Actual : Q3	Target : Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
															the water purification plant Stage of completion Target: Phase II: (Finalized))
Water accessibility: To ensure that 100% of requests for new yard connections in wards 1-3 are provided	To ensure that 100% of requests for new yard connections in wards 1-3 are provided	Percentage of new requests for yard connections responded to	100%	100%	100%	100%	100%	100%	100%	100%	100%		100% of households provided with yard connections as requested	This is only executed as requested. We have had 33 requests and all have been connected. 100%	Percentage of new requests for yard connections responded to	% of households

3.2 Waste Water (Sanitation) Provision

Figure / Table 26: Access to Sanitation

Category	Census 2001	CS 2007
Flush toilet (connected to sewerage system)	21.0	27.9
Flush toilet (with septic tank)	3.7	6.2
Dry toilet facility	0.0	16.1
Chemical toilet	0.7	4.9
Pit latrine with ventilation (VIP)	26.5	33.1
Pit latrine without ventalisation	28.4	0.4
Bucket latrine	0.8	0.1
None	19.0	11.3

(Source: Community Survey, 2007)



Indicator	%-Community Survey 2007	No. of households
Flush toilet (connected to sewerage system)	27.9%	4770
Flush toilet (with septic tank)	6.20%	1066
Dry toilet facility	16.1%	2750
Chemical toilet	4.9%	67
Pit latrine with ventilation (VIP)	33.1%	838
Pit latrine without ventilation	0.40%	5660
Bucket latrine	0.1%	21
None	11.3%	1934

Table 29: Comparative perspective on progress made with access to sanitation, based on the results of Census 2001 and Community Survey

	Number of households	
	Census 2001	Census 2007
Flush toilet (connected to sewerage system)	3821	4770
Flush toilet (with septic tank)	659	1066
Dry toilet facility		2750
Pit latrine with ventilation (VIP)	4637	67
Pit latrine without ventilation	5133	838
Chemical toilet	117	5660
Bucket toilet system	136	21
None	3293	1934

Statistical Overview

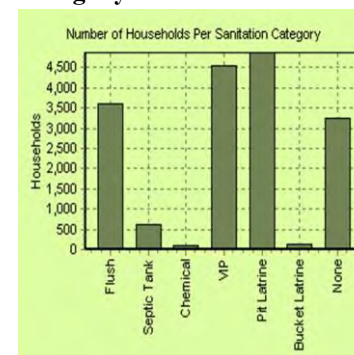
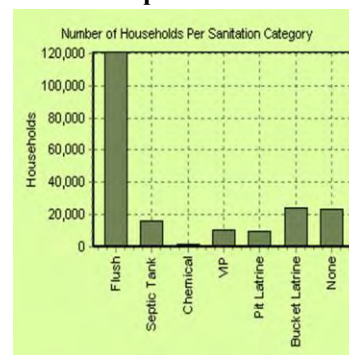
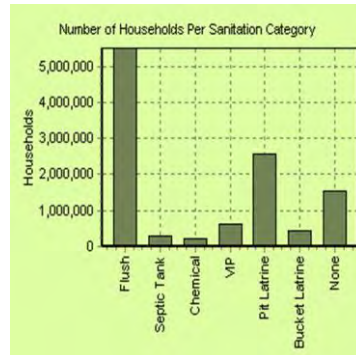
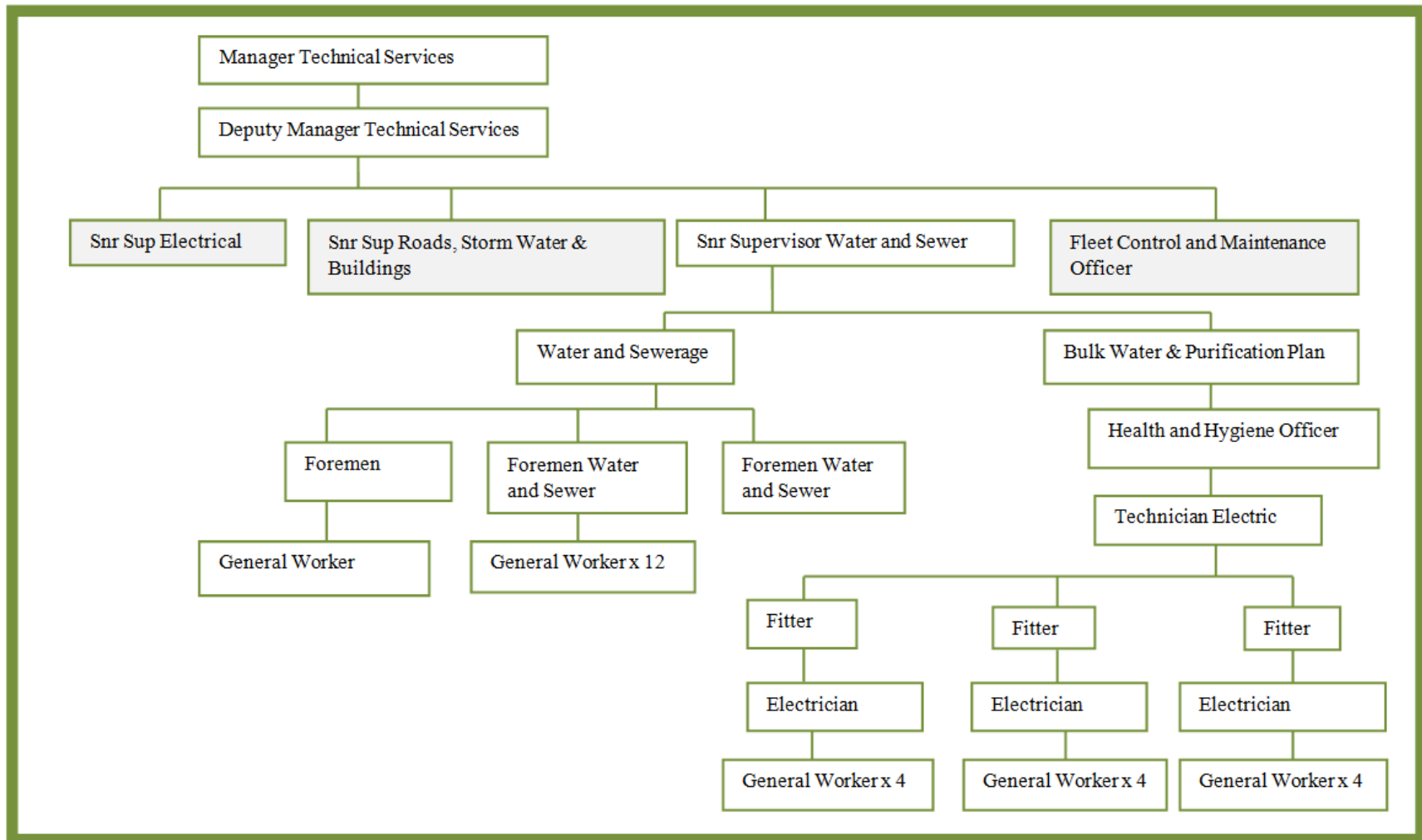


Figure / Table 30: Organogram

Technical Department 3





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objective: <i>To ensure 70% (of currently existing residents) provision of sanitation to all communities in line with national and provincial standards by 2014</i>																
To ensure that 100% of registered indigents receive free basic services / subsidies	To provide free basic sanitation services to indigents in wards 1 – 3	Number of households	All registered indigents in wards 1-3	All registered indigents in wards 1-3	70%	All registered indigents in wards 1-3	70%	All registered indigents in wards 1-3	70%	All registered indigents in wards 1-3	70%		New objective s/ targets as set for the 2011/12 Financial Year	Not set as a target for the financial year	To provide free basic sanitation services to indigents in wards 1 – 3 Percentage of indigent	85%
To ensure 75% provision of sanitation to all communities in line with national	To install an additional 100 units on dry sanitation in wards 4 – 9	Number of dry sanitation units installed										Ward 7 and 10 project was completed. 448 households were provided with VIP system in			Completion of project Target 3rd ¼: Completed	1



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
and provincial standards by 2014												2010				
	To finalise the Bankhara-Bodulong outflow	Bankhara-Bodulong Sewer						Completed	Project in progress; phase I completed			Project will be completed in Sept 2012. Phase I completed; phase II in progress	New objective s/ targets as set for the 2011/12 Financial Year	Not set as a target for the financial year	Completion of project Target 3rd ¼: Completed	1
	To plan for the extension of sanitation services in Mothibistad	Plan available to address extensions of sanitation services in Mothibistad	0	1	1 (Included in IDP)	0		0		0		Project flowing from Plan to service stands in Mothibistad currently in progress	New objective s/ targets as set for the 2011/12 Financial Year	Not set as a target for the financial year	Plan available to address extensions of sanitation services in Mothibistad	1 plan
	To purchase a suction truck to expand sanitation	Suction truck available	2	3 (1 additional)	No new trucks bought in 2011/1							Suction trucks were bought in 2008/09	Number of Households/ Number of business	Number of households: Q1= 456/ 465 Q2=	No. of new suction trucks Target 1st ¼: 3 (1	1



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	capacity				2								es provided with Sanitation	467/442 Q3= 496/421 Q4= 496/421 Turnaround time: 2 days	additional)	
To ensure that all septic tanks are emptied according to call-outs, to a minimum of 90 kiloliters per day	Number of kiloliters emptied per day	Volume (kiloliters) per day	100 kiloliters	90	80	90	80	90	80	90	80	Capacity of trucks is 80 kiloliters per day. Target will therefore be revised to 80.	New objective s/ targets set for the 2011/12 Financial Year	Not set as a target for the financial year	Volume (kiloliters) per day	100 kiloliters 100%
Percentage of septic tanks emptied outside Ga-Segonyana	Empty of septic tanks on a daily basis	% (Percentage)	100%	100%	100% as per request	100%	100% as per request	100%	100% as per request	100%	100% as per request		New objective s/ targets as set for the 2011/12 Financial Year	Not set as a target for the financial year	Empty of septic tanks on a daily basis	100%
Health and	Launching of a	No. of program	0	1	1							Only 1 Health	No of health &	The target	Launching of a	12/



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
hygiene awareness programme	health and hygiene awareness programme	mes										Practitioner. From 2012/13 it has been transferred to the district	hygiene and operations & maintenance trainings conducted in wards 4 to 9	has not been set for the 2011/12 financial year. Future targets will concentrate on the availability of UDS sanitation bags	health and hygiene awareness programme	Quarter
Continuous availability of UDS sanitation bags	Providing UDS sanitation bags	No of bags	0	1	1	1	0	1	0	1	0	District function; the local municipality assist when requested	No of households provided with UDS bags	The target has not been set for the 2011/12 financial year. Future targets will concentrate on the availability of UDS	Providing UDS sanitation bags	2000/Quarter



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
														sanitation bags		
To have one new integrated landfill sites developed by June 2009	New landfill site available	Landfill site	0	0		0		0		0		A current landfill site has a lifespan of approximately 3 years left. A new site has been identified in ward 4	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year

3.3 Electricity

Figure / Table 31: Comparative perspective on energy sources, based on the results of Community Survey 2007

Category	Ga-Segonyana	
	Census 2001	Community Survey 2007
Electricity	8153	1196
Gas	1326	1745
Paraffin	4621	1448
Wood	3436	8
Coal	54	0
Animal dung	159	0
Solar	27	0
Other	24	0

(Source: Community Survey, 2007)

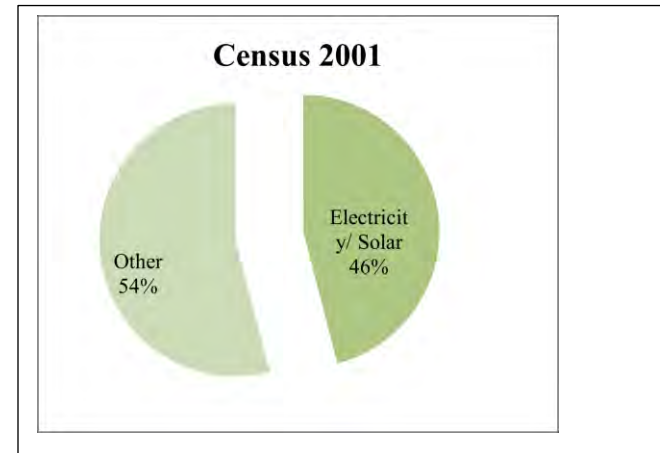
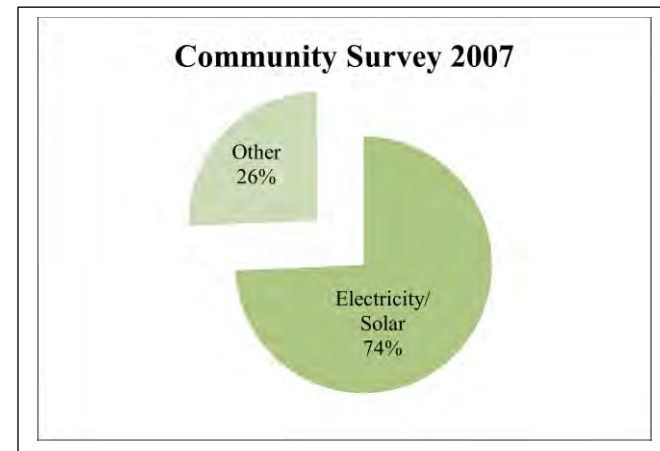


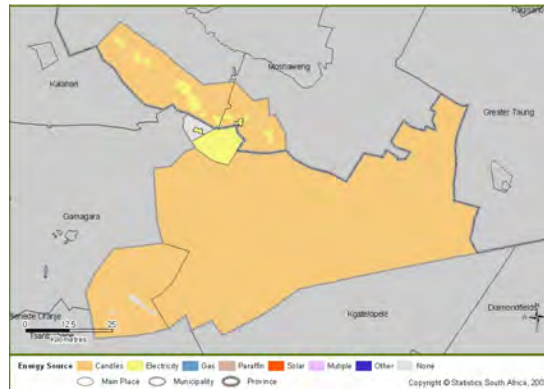
Table 32: Percentage distribution of households by main type of energy used for cooking

Category	Census 2001	CS 2007
Lighting	74.5	90.8
Cooking	45.0	74.3
Heating	39.2	45.7

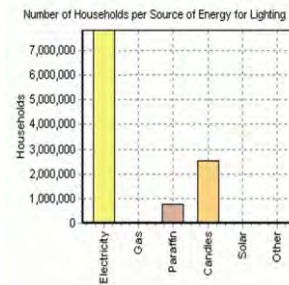


(Source: Census 2001 and Community Survey, 2007)

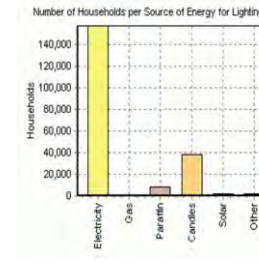
Figure / Table 33: Energy Source for Lighting, 2001



National



Northern Cape



Ga-Segonyana

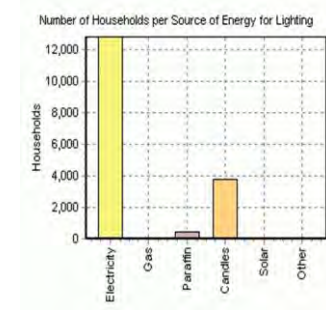
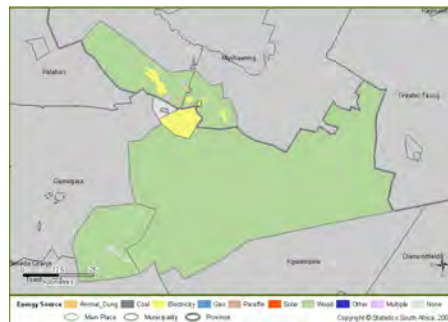
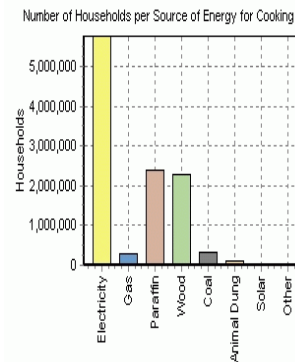


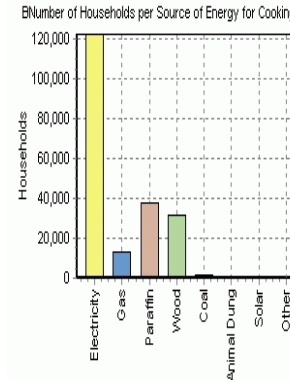
Figure / Table 34: Energy Source for Cooking, 2001



National



Northern Cape



Ga-Segonyana

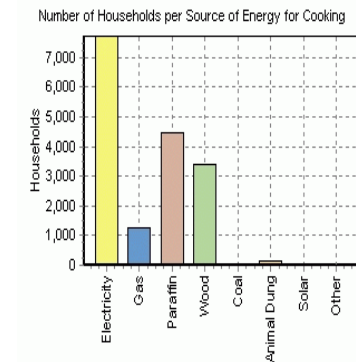
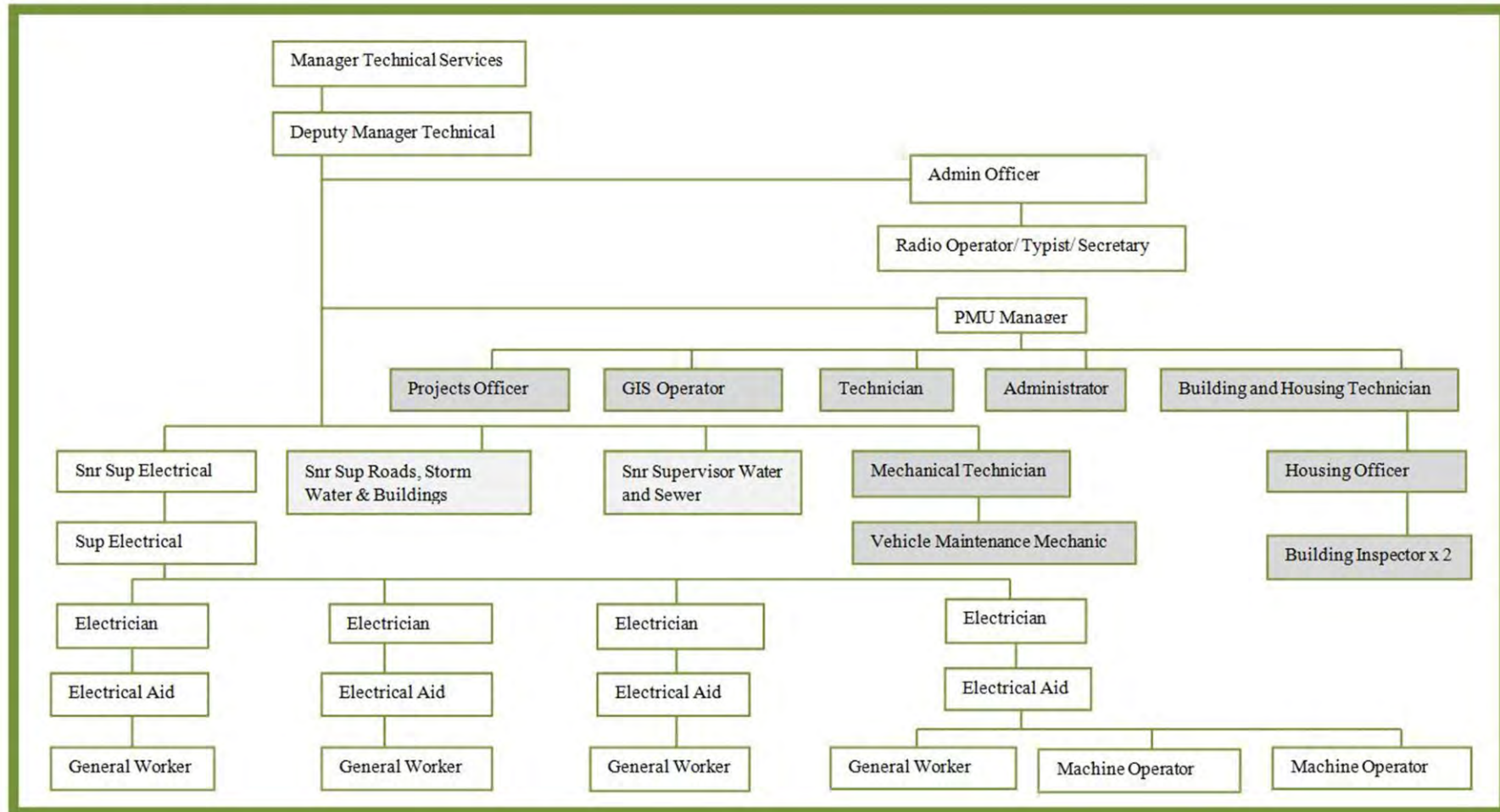


Figure / Table 35: Organogram

Technical Department 1





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Development Objective	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objective: <ul style="list-style-type: none"> To ensure 100% access to electricity for all communities in Ward 1-3. To facilitate provision of electricity for Ward 4-13. To ensure free 50kWh (units) electricity per month to indigent households. 																
To ensure that 100% of registered indigents receive free basic services / subsidies	To provide 50kWh (units) electricity to indigent households per month	Scope of registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents		All registered indigents except 1, gets free electricity	Improvement measures: Regular updating of the indigent register	kWh (units) per month: Base-line and targets refer to percentage of indigent households with access to basic services	85%
IDP Objective: <ul style="list-style-type: none"> To ensure continuous upgrading and maintenance of current networks for Ward 1-3. 																
To continuously upgrade and maintain current electricity	To continuously upgrade and maintain current electricity	Maintenance of electricity network according to available budget	100%	100%	100% of quarterly targets	100%	100% of quarterly targets	100%	100% of quarterly targets	100%	100% of quarterly targets		Emergencies attended to in line with policy-turn	100% achieved. Total of 793 emergency call where attended to within	Maintenance of electricity network according to	100%



IDP Development Objective	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
networks within available budget	networks within available budget												around time	48 hours.	available budget	
	To upgrade the electrical network (Phase 3)	Upgrading of the electrical network	0							100%	100%		% of budget spent for maintenance	100% achieved	Upgrading of the electrical network	100%
	To ensure the installation of 5 high mast lights	No. of high mast lights installed	2		23 phase 2: project complete					5	18 phase 3: Project complete	Target for 2012/13: 33 high mast lights	Not set as a target for the financial year	Not set as target for the financial year	No. of high mast lights installed	7
	Electricity at airstrip	% expenditure – available	0								Not set as a	Not set as a target	% expenditure –	100% achieved	Not set as a target	Not set as a target

Ga-Segonyana Local Municipality



IDP Development Objective	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
		funding									target for the financial year	for the financial year	available funding		for the financial year	for the financial year
To ensure that the Administration continues without interruptions	To purchase a generator	Generator	0							1	1		Not set as a target for the financial year	Not set as a target for the financial year	To purchase a generator	1 Generator



3.4 Waste Management

Figure / Table 36: Access to refuse removal services

Percentage distribution of households by type of refuse removals		
Refuse Removal		
Category	Census 2001	CS 2007
Removed by the local municipality or private company at least once a week	20.3	24.9
Removed by the local municipality or private company less often than once a week	0.0	0.6
Communal refuse dump	1.2	1.4
Own refuse dump	70.0	72.9
No rubbish disposal	8.4	0.3
Other	0.0	0.0

(Source: Census, 2001 and Community Survey 2007)

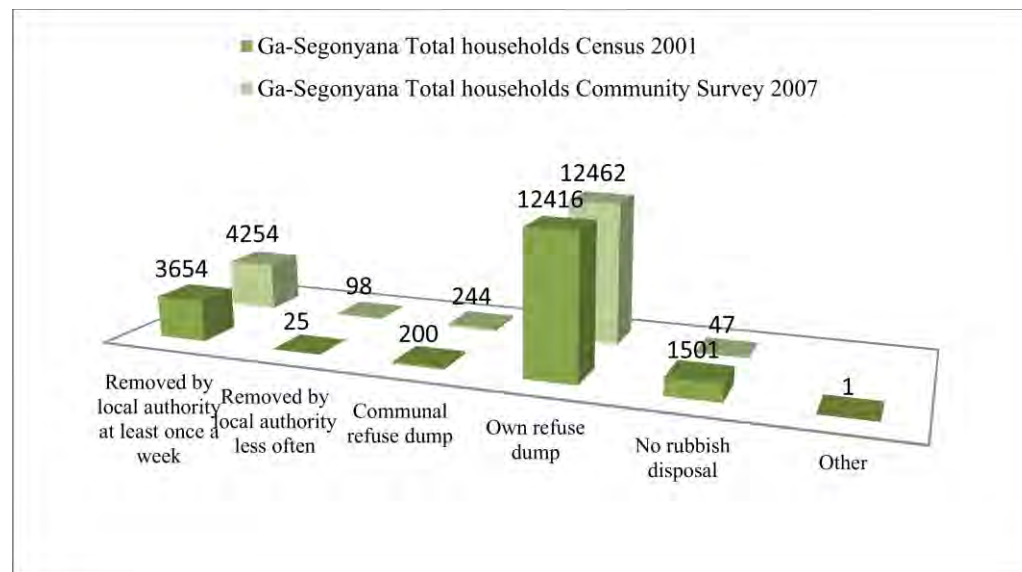


Figure / Table 37: Comparative perspective on progress made with access to refuse removal services, based on the results of Census 2001 and Community Survey 2007

Category	Ga-Segonyana Total households	
	Census 2001	Community Survey 2007
Removed by local authority at least once a week	3654	4254
Removed by local authority less often	25	98
Communal refuse dump	200	244
Own refuse dump	12416	12462
No rubbish disposal	1501	47
Other	1	0

(Source: Community Survey, 2007)

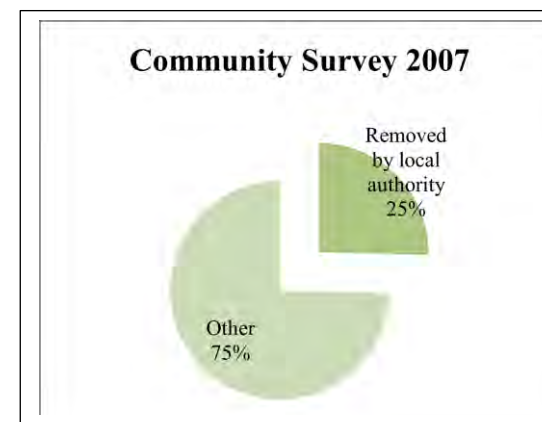
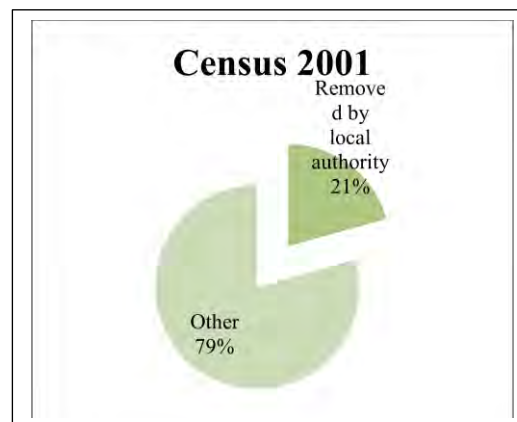
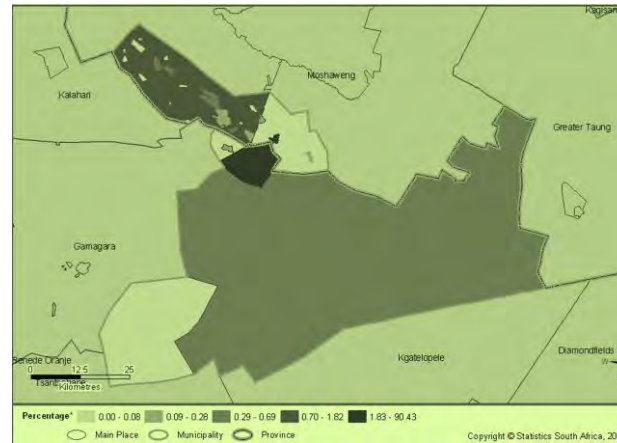
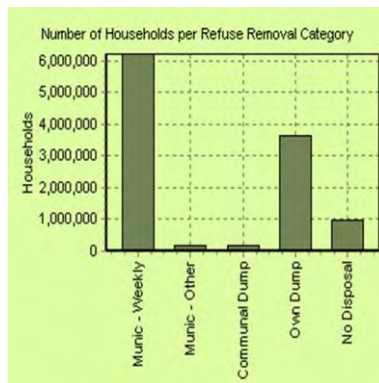


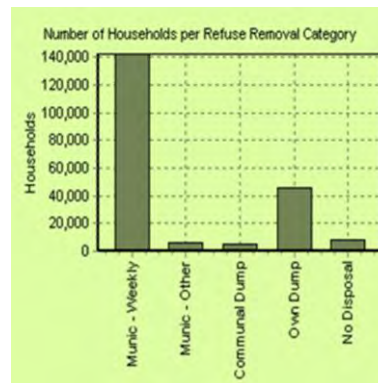
Figure / Table 38: Percentage Households with Refuse Removal by Municipalities, 2001¹



National



Provincial



Ga-Segonyana

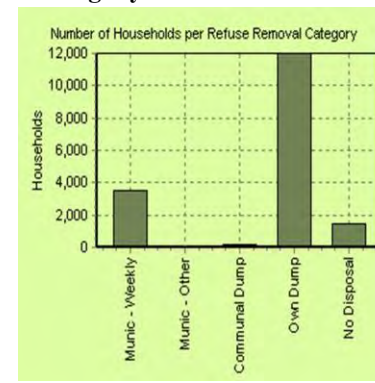
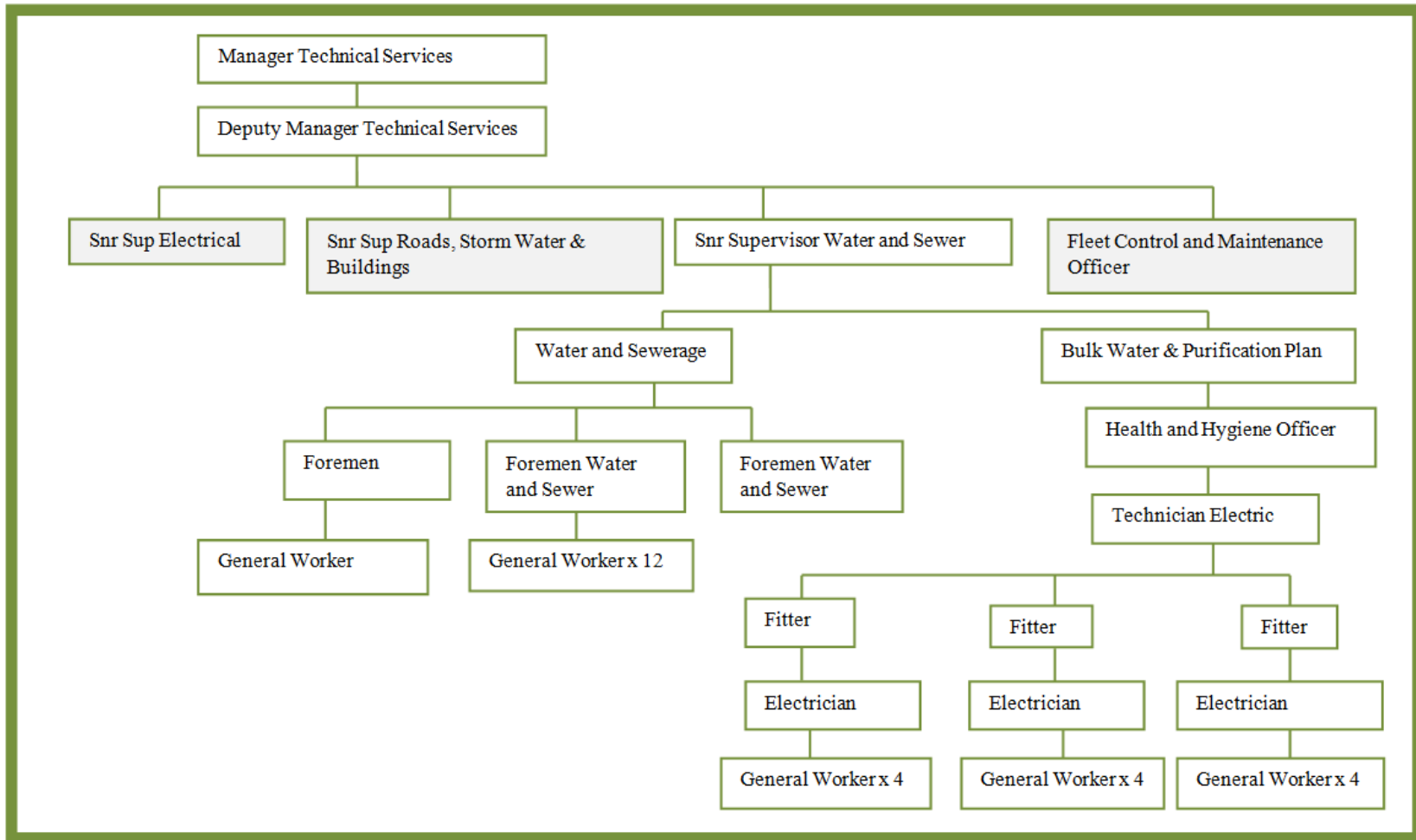


Figure / Table 39: Organogram

Technical Department 3





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target : Q 1	Actual : Q1	Target : Q 2	Actual : Q2	Target: Q 3	Actual : Q3	Target: Q 4	Actual : Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
IDP Objective: <ul style="list-style-type: none"> To ensure that systems are put in place to render sufficient refuse removal services to create a clean and healthy environment for all residential areas in Ga-Segonyana by 2012 To ensure that systems are put in place to render sufficient refuse removal services to create a clean and healthy environment for all residential areas in Ga-Segonyana. (Wait for study) 																
To have one new integrated landfill sites developed by June 2009	New landfill site available	Landfill site	0	0		0		0		0		A current landfill site has a lifespan of approximately 3 years left. A new site has been identified in ward 4	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year
To purchase refuse containers	Refuse containers purchased	Containers within available funds	0							Purchasing quantity in line with available budgeted funds	0	No funds – has been donated by Indalo-Yethu Company	Not set as a target for the financial year	Not set as a target for the financial year	Containers within available funds Target 4th ¼: Purchasing quantity	40/ Quarter

Ga-Segonyana Local Municipality



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target : Q 1	Actual : Q1	Target : Q 2	Actual : Q2	Target: Q 3	Actual : Q3	Target: Q 4	Actual : Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
															in line with available budgeted funds	
To ensure that all households will have access to minimum quality of refuse removal services by 2012	Number of households with access to minimum quality refuse removal services for wards 1, 3, 13	No. of households	3,093	3,100	3,100	3,100	3,100	3,100	3,100	3,100	2688	Compact or BMM 797 NC had mechanical problems.	Q1= House holds refuse 3972 Q2= House hold refuse 3965 Q3= House hold 3963 Q4= House hold 3935	Total Income for 2010/11 R11,199 466.61 Expenditure for 2010/11 R22, 93362. 69	Number of households with access to minimum quality refuse removal services for wards 1 – 3	4016/Quarter
												Not set as a target for the financial	Number of businesses with	Q1= Number of Business	Not set as a target for the financial	Not set as a target for the financial



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target : Q 1	Actual : Q1	Target : Q 2	Actual : Q2	Target: Q 3	Actual : Q3	Target: Q 4	Actual : Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
												year	access to minimum quality refuse removal	es 415 Q2= Number of Business es 1309 Q3= Number of Business es 658 Q4= Number of Business es 697 Q1= Number of dung removal from Abatoir 288m3 Q2= Number of dung removal from Abatoir	year	year



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target : Q 1	Actual : Q1	Target : Q 2	Actual : Q2	Target: Q 3	Actual : Q3	Target: Q 4	Actual : Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
														288m3 Q3= Number of dung removal from Abatoir 288m3 Q4= Number of dung removal from Abatoir 288m3		
												Not set as a target for the financial year	No of households provided with garden refuse removal services	Q1= Number of Garden Refuse 7728 Q2= Number of Garden Refuse 6585 Q3= Number of Garden Refuse	Not set as a target for the financial year	Not set as a target for the financial year



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target : Q 1	Actual : Q1	Target : Q 2	Actual : Q2	Target: Q 3	Actual : Q3	Target: Q 4	Actual : Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
														6776 Q4= Number of Garden Refuse 7448		
												Not set as a target for the financial year	Cubic meter of illegal dumping removed	Targets were for exceeded . Due to the fact that the specified target is beyond the control of the municipality, it has been removed from the 2011/12 SDBIP	Not set as a target for the financial year	Not set as a target for the financial year

3.5 Housing

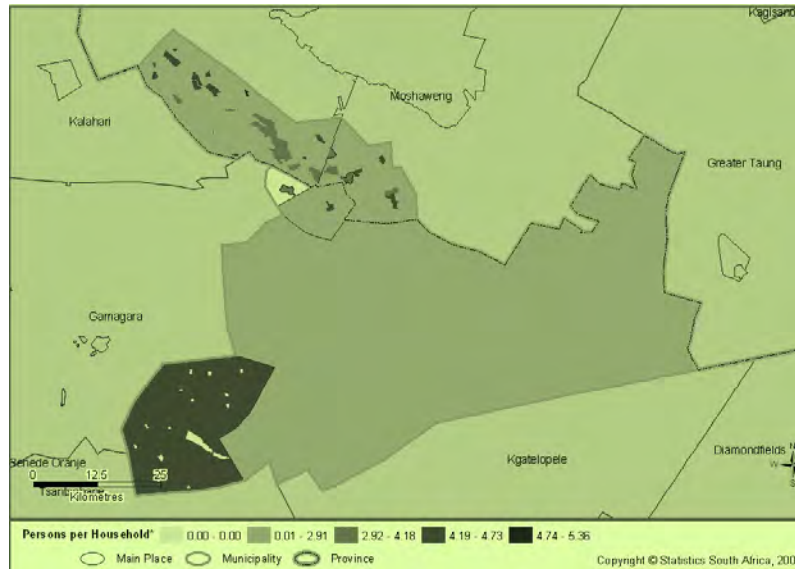
Figure / Table 40: Percentage distribution of housing/ Type of dwelling in Ga-Segonyana

Housing Category	Census 2001	CS 2007
House or block on a separate stand or yard	69.2	76.4
Traditional dwelling, hut or structure made of traditional materials	18.6	7.8
Flat or block of flats	0.5	0.2
Town-, cluster, semi-detached house (duplex, triplex)	0.2	0.0
House or flat in back yard	2.0	3.0
Informal dwelling or shack in backyard	2.3	1.8
Informal dwelling or shack in not yard, e.g. in informal settlement	6.3	10.4
Room or flat not in back yard but on shared property	0.6	0.0
Caravan and tent	0.3	0.0
Private boat or ship	0.0	0.0
Workers' hostel	0.0	0.1
Other	0.0	0.2
Formal dwelling	72.5	79.7
Informal dwelling	8.6	12.2

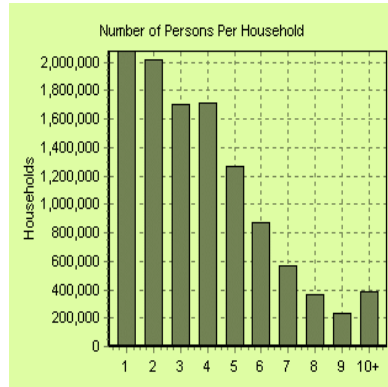
Figure / Table 41: Comparative perspective on the type of dwelling/ housing per household, based on the results of Census 2001 and Community Survey 2007

	Census 2001	Community Survey 2007
House or brick structure on a separate stand or yard	11872	13 068
Traditional dwelling/hut/structure made of traditional materials	3190	1342
Flat in block of flats	87	35
Town/cluster/semi-detached (simplex, duplex; triplex)	32	0
House/flat/room in back yard	349	522
Informal dwelling/shack, Not in back yard e.g. in an informal/ squatter settlement	389	314
Informal dwelling/shack Not in back yard e.g. in an informal/ squatter settlement	1079	1781
Room/flatlet not in back yard but on a shared property	98	5
Caravan or tent	55	0
Private ship/boat	7	0
Worker's hostel		13
Others		27

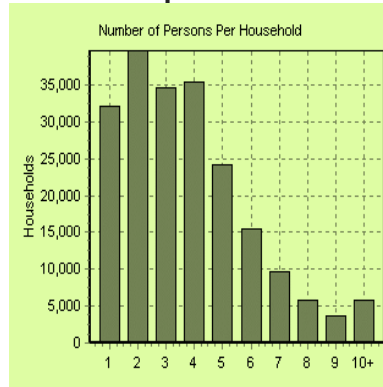
Figure / Table 42: Housing



National



Northern Cape



Ga-Segonyana

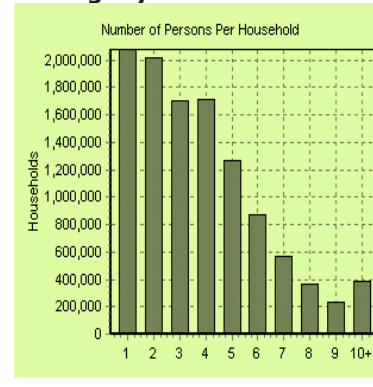
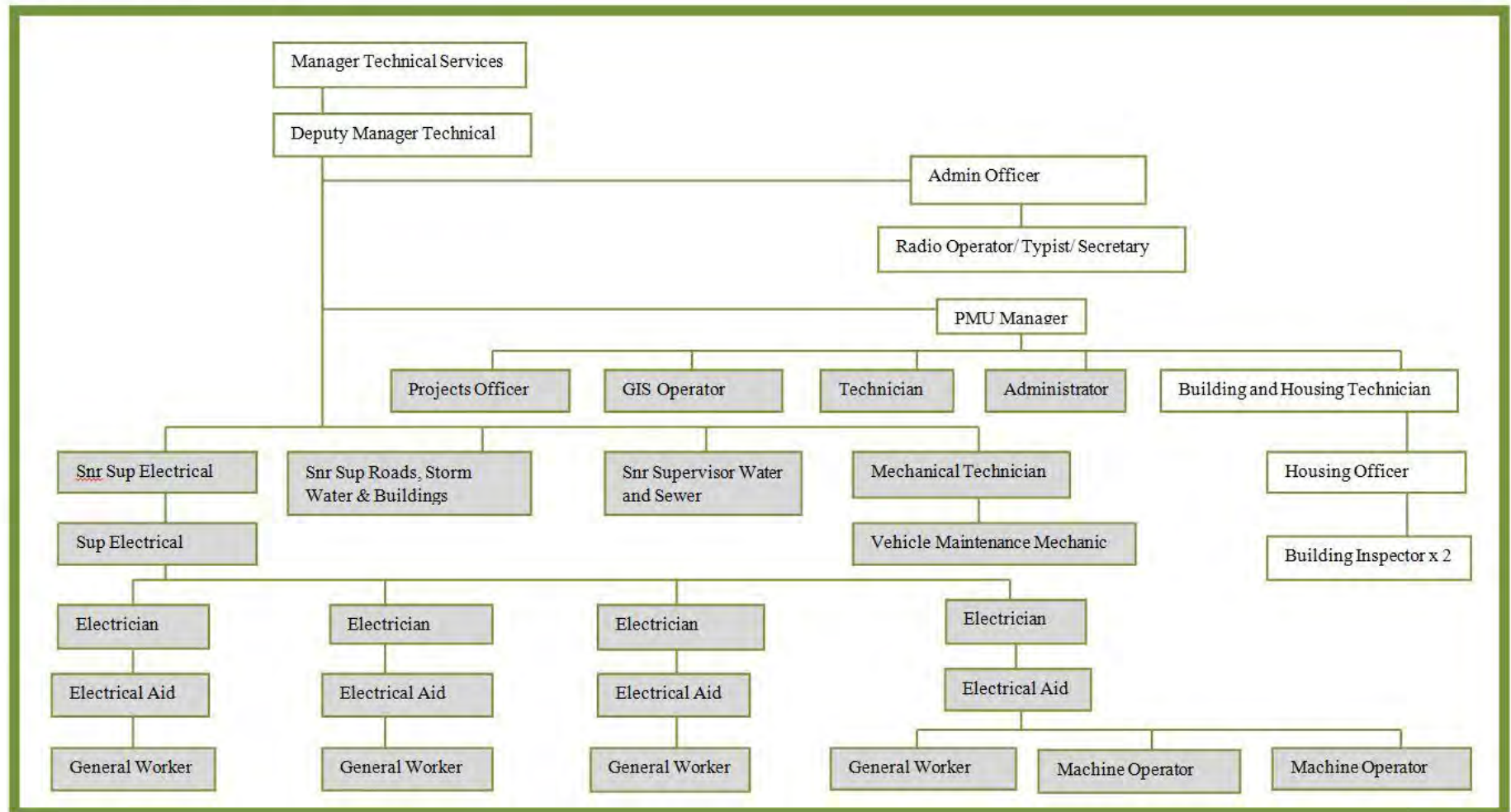


Figure / Table 43: Organogram

Technical Department 1





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Objective	Indicator	Unit of measurement	Base-line	Target: Quarter 1	Actual: Q1	Target: Q2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objective: <i>To ensure integrated human settlement inline with approved Spatial Development framework</i>																
To ensure integrated human settlements in line with an approved SDF	To develop a housing chapter	Number of Housing Chapters developed	0					1	1			Housing Chapter has been developed with assistance and facilitation from the district	Not set as a target for the financial year	Not set as a target for the financial year	Housing Chapter developed	Plan available
	Expenditure on RDP Housing allocation	% expenditure	0								45%	In-situ houses constructed. 600 units approved but 295 completed.	Not set as a target for the financial year	Not set as a target for the financial year		
	To construct houses	Number of low cost houses developed				30		60		100		235 completed in April 2012	345	Bankhar a: 215 houses completed to date	Expenditure on RDP Housing allocation	100%/ expenditure



IDP Objective	Indicator	Unit of measurement	Base-line	Target: Quarter 1	Actual: Q1	Target: Q2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
														164 houses handed over to beneficiaries. Rural insitu 200 houses approved in december 2010, 195 are complete.		
											Not set as a target for the financial year	Not set as a target for the financial year	Development of an integrated human settlement programme	Service provider has been appointed.	Not set as a target for the financial year	Not set as a target for the financial year
											Not set as a target for the financial year	Not set as a target for the financial year	Service level agreement signed	SLA signed. Feasibility study Completed	Not set as a target for the financial year	Not set as a target for the financial year



3.6 Free Basic Services & Indigent Support

Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target : Quarter 1	Actual: Q1	Target : Quarter 2	Actual: Q2	Target : Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
To ensure that 100% of registered indigents receive free basic services / subsidies	To ensure that 100% of registered indigents receive free basic services / subsidies	% of registered indigents receiving free basic services / subsidies	100%	100%	70%	100%	70%	100%	70%	100%	70%	There was a challenge with services to indigents in the Bankhara - Bodulong area. All other areas are receiving services. The Office in the area was not operational for most of the financial year	Not specified as target for the financial year	Not specified as target for the financial year	Not specified as target for the financial year	Not specified as target for the financial year
	To provide 50kWh (units) electricity to indigent households per month	Scope of registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents	All registered indigents		To provide 50kWh (units) electricity to indigent households per month by 2010	All registered Indigents except 1, gets free electricity	To provide 50kWh (units) electricity to indigent households per month	85%
	To provide	Percentage of	All register	All register	70%	All register	70%	All register	70%	All register	70%		Not specified	Not specified		85%



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target : Quarter 1	Actual: Q1	Target : Quarter 2	Actual: Q2	Target : Quarter 3	Actual: Q3	Target : Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	6kiloliter free water to indigent households per month	registered indigents	ed indigents	ed indigents		ed indigents		ed indigents		ed indigents			as target for the financial year	as target for the financial year	To provide 6kiloliter free water to indigent households per month	
	To provide free basic sanitation services to indigents in wards 1 – 3	Number of households	All registered indigents in wards 1-3	All registered indigents in wards 1-3	70%	All registered indigents in wards 1-3	70%	All registered indigents in wards 1-3	70%	All registered indigents in wards 1-3	70%		Not specified as target for the financial year	Not specified as target for the financial year	To provide free basic sanitation services to indigents in wards 1 – 3	85%
	To provide free basic refuse services to indigents in wards 1 – 3	Percentage of households	All registered indigents in wards 1-3	All registered indigents in wards 1-3	70%	All registered indigents in wards 1-3	70%	All registered indigents in wards 1-3	70%	All registered indigents in wards 1-3	70%		Not specified as target for the financial year	Not specified as target for the financial year	To provide free basic refuse services to indigents in wards 1 – 3	85%

Ga-Segonyana Local Municipality



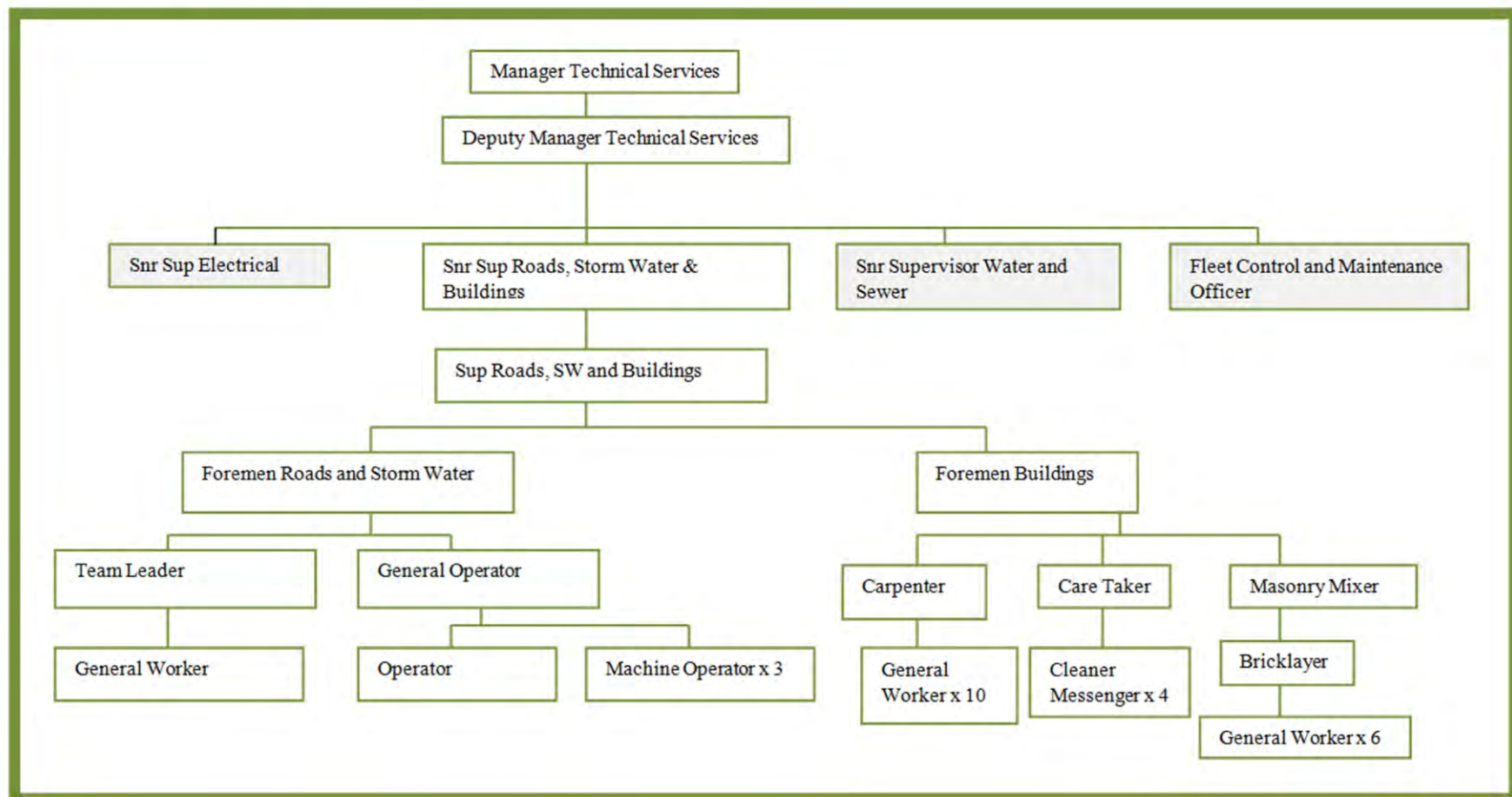
IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target : Quarter 1	Actual: Q1	Target : Quarter 2	Actual: Q2	Target : Quarter 3	Actual: Q3	Target : Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	To develop and update the indigent register	Number of indigent registers developed and percentage updated	1 100%							1 100%	1 100%		Not set as a target for the financial year	Not set as a target for the financial year	Develop an Indigent register: Base-line refer to 1 for wards 1-3; target of 1 in quarter 1 refer to BB and target in quarter 2 [1] to ward 8	1

Component B: Roads and Transport

3.7 Roads, Transport and Stormwater

Figure / Table 44: Organogram

Technical Department 2





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objective: <ul style="list-style-type: none"> To ensure sufficient road network and transport services to all residents in Ga-Segonyana by 2012. Engage National and Provincial Departments on operation and maintenance of the roads in their area of jurisdiction 																
To ensure sufficient road network and transport services to all residents in Ga-Segonyana by 2012	To upgrade gravel roads	Kms of new gravel roads upgraded per year	2004/05: 13km 2006/07: 4	0						2	0	The upgrading of roads will enjoy attention in 2012/13: 3,5 kms	5	26 km of roads have been re-gravelled. In WARD 2, 6, 8 RDP and 9. Claim money back from BSA	Kms of new gravel roads upgraded per year	2
	To grade 1,000kms of road per annum	Kms of roads graded per annum	1,900	400	400	800 (accumulative)	800 (accumulative)	1,200 (accumulative)	1,200 (accumulative)	1,600 (accumulative)	1,600 (accumulative)		1,500 (accumulative)	Total 5,64km of pipes have been laid in Gantatlang (completed) and 9,1km for Seven miles.	To grade 1,000kms of road per annum	1600 accumulative



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual: Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	To maintain roads and stormwater systems for wards 1-3	Roads and Stormwater system maintenance	95%	95%	100% of quarterly allocation	95%	100% of quarterly allocation	95%	100% of quarterly allocation	95%	100% of quarterly allocation	New demarcation: Wards 1, 3 and 13	23	Target not achieved: 15 in Kuruman town and Mothibistad. (8 not achieved)	Percentage of maintenance budget spent	95%
	To reseal the airstrip	Airstrip resealing	0			Finalised	0					Due to bid committees not appointed, the airstrip was not re-sealed	To reseal internal roads	1,8km of road have been resealed. (Kuruman and Mothibistad)	Airstrip resealing	1

Component C: Planning and Development

3.8 Planning and Local Economic Development

Figure / Table 45: Employment Status

Table: Census 2001 by municipalities and official employment status			Community Survey 2007	
Employed	10 195	24%	14579	34%
Unemployed	8517	20%	8758	21%
Not economically active	24 098	56%	18886	45%

(Source: Census 2001, Stats SA1)

According to Census 2001, 21% of the population are unemployed. The Municipality is trying to create jobs by means of Local Economic Development Programmes.

Figure / Table 46: Employment per sector

Table: Census 2001 Occupation amongst the employed aged 15 to 65 years		
Legislators, senior officials and managers	428	4%
Professionals	568	6%
Technicians and associate professionals	1477	15%
Clerks	1334	13%
Service workers, ship and market sales workers	1230	12%
Skilled agricultural and fishery workers	213	2%
Craft and related trades workers	1186	12%
Plant and machine operators and assemblers	732	7%
Elementary occupations	2579	25%
Undetermined	449	4%
Not applicable	0	0%

(Source: Census 2001, Stats SA)

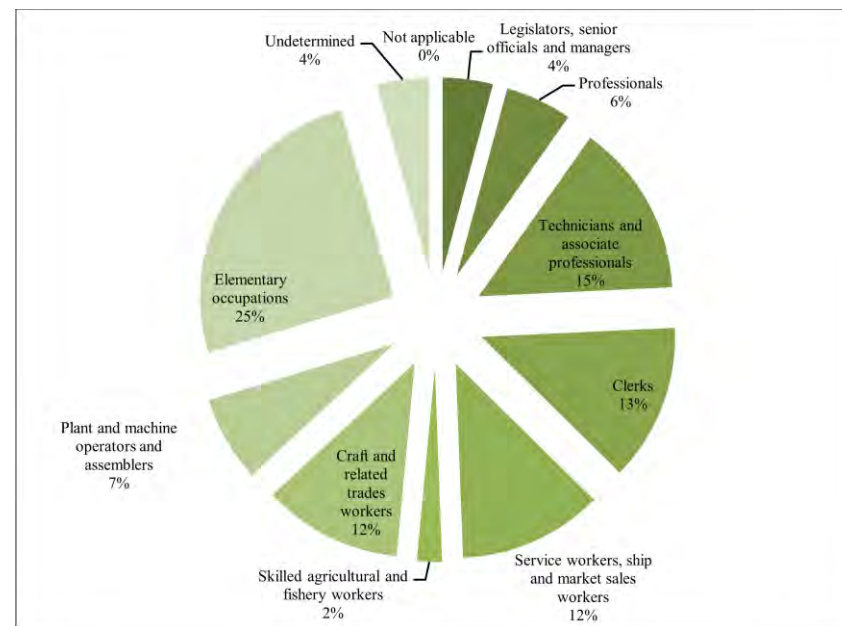
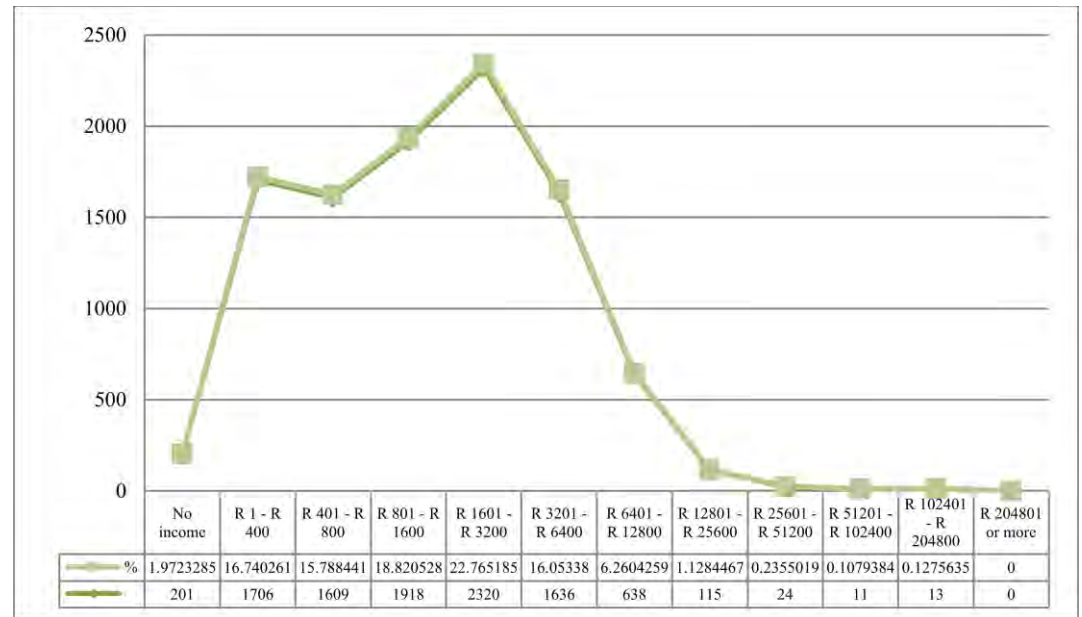


Figure / Table 47: Monthly income for the employed, aged 16-65 years

Table: Individual monthly income for the employed aged 15-65 years		
No income	201	1.97
R 1 - R 400	1706	16.74
R 401 - R 800	1609	15.79
R 801 - R 1600	1918	18.83
R 1601 - R 3200	2320	22.77
R 3201 - R 6400	1636	16.05
R 6401 - R 12800	638	6.26
R 12801 - R 25600	115	1.13
R 25601 - R 51200	24	0.24
R 51201 - R 102400	11	1.11
R 102401 - R 204800	13	0.13
R 204801 or more	0	0.

(Source: Census 2001- Stats SA)

The demand for social service intervention will therefore be high.



According to the statistics as published for Census 2001, 22% of the population earns between R1601 and R3200 per month and there are 201 persons not employed.

Environmental Issues

Underground Water

Ga-Segonyana only relies on the underground water source which comes as a result of an overflow from the Vaal River. The municipality also has mapped aquifers identified in Seoding, Bankhara-Bodulong and Kuruman, which are planned to be used as a source of water supply in the area.

The Eye

Another source of water is the Eye, which is a natural spring that supplies water to the communities in the Kuruman area through the farrows, for agricultural purposes.

Wetlands

The municipality has identified wetlands in some of the areas in its jurisdictions, and intends that needs to be restored to supply water to the communities for agricultural purposes. The wetlands have been identified in:

- Maruping
- Gamopedi
- Batlharos.

A study has been conducted on the wetlands, and the water on the Batlharos one has been found to have a lot of salt that has resulted from the Tshwaragano Hospital waste deposits.

Heritage Assets

- The Eye
- Wonder Caves
- Moffat Mission

Natural Assets

- Billy Duvenhage Nature Reserve
- Wetlands
- Protected plant species:
 - Camel Thorn



Other Assets

- The municipality has a landfill site and a new one is being developed.

Environmental Plans

The municipality has developed a *Green Plan* to ensure that all resources are preserved. In the plan, the following are key to ensure that the resources are preserved:

- The RDP housing development areas have been identified and supplied with indigenous trees received from the Department of Agriculture, Forestry and Fisheries.
- The removal of invasive alien plants
- Appointment of Bizi' Africa for the development of parks in three (3) villages: Mothibistad, Kagung and Seoding. The park project has commenced and is expected to be finalised and handed over in June 2012.
- The existing natural/wild grass will be used to green the parks
- Indigenous water wise plants will be planted at the parks.
- The Mothibistad parks will be irrigated with the affluent water from the Magojaneng treatment plant.
- The Kuruman parks are irrigated from the affluent water from the Kuruman treatment plant.

The Greening Plan has further identified the following projects:

- Indalo Yethu cleaning project (Commenced in 2010)
- Bizi' Africa greening project (Parks: commenced in 2010)
- Working for water project (Removal of alien plants)
- Recycling Project (LED) (Development of Buy-Back Center through Indalo Yethu project

The municipality has *by-laws* in place to ensure compliance with environmental laws and regulations, as well as protect the environment. The challenge however is that the municipality has no capacity to enforce such by laws. The following by-laws are in place:

- The municipality has trained 25 people in the *Green Police*, through the Indalo Yethu project. The purpose is to ensure that there is people who will educate the communities on the necessity of environmental care and conservation through greening, as well as report the environmental wrong doing.



- The challenge with this is that the Green Police are currently remunerated through the project funds, and the municipality therefore needs to develop a strategy to absorb and pay the team.
- The Integrated Waste Management Plan has been completed through the Indalo Yethu project and submitted to Council on 30 November 2011 for approval.

Environmental Threats and Challenges

The following have been identified as threats and challenges to the environment:

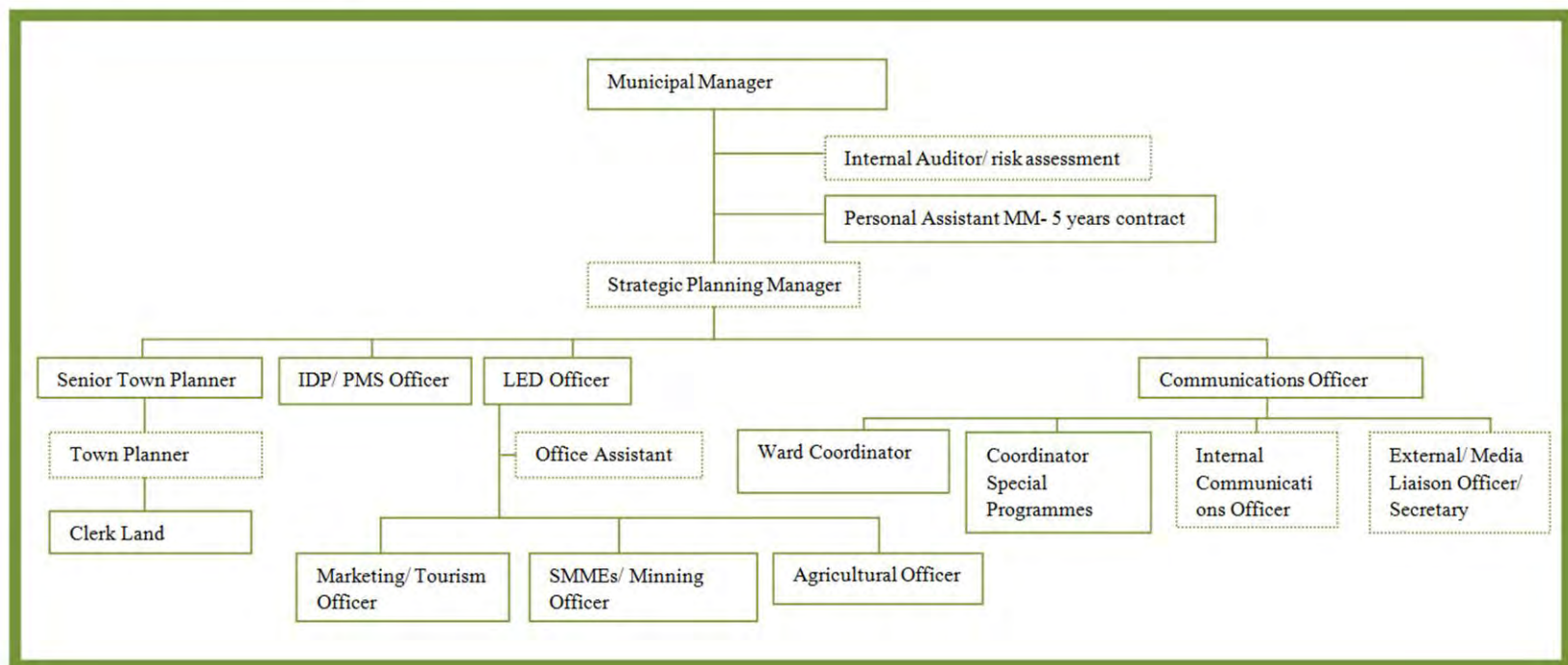
- Invasive plant species:
- Pollution of the water in the canal by private households through which the canal runs
- Development in the Kuruman plots that were initially identified for agricultural land use
- Development leading to the decrease in arable land (Threat to food security)
- Illegal and unregulated settlements results in harming of protected species
- Illegal sand mining on sensitive areas harms the protected species
- Lack of rehabilitation on the sand mining areas
- Feld fires
- No dedicated person for environmental science/management
- Although EIA is a pre-requisite of all capital projects there is no internal capacity and the service is therefore outsourced.
- The Indalo Yethu study has identified that the current landfill site is prematurely nearing its lifespan due to the fact that a lot of waste that could have been recycled/reclaimed has been taken to the site. The following measures are suggested to extend the lifespan:
 - Buy-Back Centre (for recyclable waste)
 - Recycling awareness raising campaign
 - Development of recycling projects through LED office
 - Development of the Landfill site Committee for the daily running of the landfill site
 - Re-strategize on the usage of existing refuse enclosures in villages that do not receive regular refuse removal services.

General Observations

- The Eye water level mark has dropped and is no longer pumping 20ml as initially proven. The municipality has started to engage the Department of Water, national office, to run the test/study for them.
- Climate change has become a threat to agricultural resources as the level of farming by the communities has decreased.
- Overgrazing due to decrease in arable land, caused by development and climate change.

Figure / Table 48: Organogram

Office of the Municipal Manager





Actual performance against SDBIP targets set for the 2011/12 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
IDP Objective: <i>To ensure a working environment that enables performance and service delivery</i>																
To approve and implement municipal planning systems in line with applicable legislation	Annual review of the IDP	IDP review	1	--		--		--		1	1	Community facilitation in 4 wards	Not set as a target for the financial year	Not set as a target for the financial year	IDP review	1
	Report regarding institutional performance on a quarterly basis	Quarterly PMS reports	4	1	0	1	1	1	0	1	1		Not set as a target for the financial year	Not set as a target for the financial year	Quarterly PMS reports	4
	Community participation regarding the IDP and PMS	No of events				13	13			13	13		No of community meetings held per ward	18 Achieved	Community participation regarding the IDP and PMS	13
To ensure a working environment that enables performance and service delivery	To ensure that performance level agreements are signed with all service providers	Percentage of service providers with whom performance level agreements have	90%	100%	100% (With exception of Eskom – please refer to comment)	100%	100% (With exception of Eskom – please refer	100%	100% (With exception of Eskom – please refer to comment column)	100%	100% (With exception of Eskom – please refer	Fully achieved (all service level agreements are in place). Eskom's agreement	% of service level agreements signed with service providers	Achieved in all quarters except quarter 2- Out of 4 only one is signed	% of service providers with whom performance level agreements have been	100%



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
		been signed			column)		to commence column)				to commence column)	t has lapsed, but is handled on a month-to-month contractual basis.		3 for tech 1 for finance returned to obtain serv provider signature	signed	
To ensure integrated human settlement in line with the approved Spatial Development framework	To formulize rural residential areas (in Seoding)	Formulation of residential area in Seoding	0									Traditional leaders did not want to sign off for formalisation	Not set as a target for the financial year	Not set as a target for the financial year	To formulize rural residential areas (in Seoding)	Formulation (subject to signing by Tribal Authority)
	EPWP: creation of temporary job opportunities	Creation of temporary job opportunities in line with EPWP guidelines	80%												Creation of temporary job opportunities in line with EPWP guidelines	% of EPWP temporary employment opportunities directed towards youth, women and the disabled: 80%



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
	To develop new business and industrial sites	Business and industrial sites developed	0	100% within capacity		100% within capacity		100% within capacity		100% within capacity			Not set as a target for the financial year	Not set as a target for the financial year	Business and industrial sites developed	Development within the context of available funds Target: 100% within capacity
To encourage and promote development through town planning	To ensure council approval of all applications	Number of approvals (Percentage of submissions approved)		85%	100% (7)	85%	100% (6)	85%	100% (9)	85%	100% (12)	All applications submitted to council for approval	Not set as a target for the financial year	Not set as a target for the financial year	To ensure council approval of all applications	85%



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objective: <i>To create an enabling environment for economic growth and to reducing the unemployment and alleviate poverty</i>																
To ensure integrated human settlement in line with the approved Spatial Development Framework	To acquire and sell land in terms of the Spatial Development Framework	% of serviced stands sold	New	100%	Percentage very low (stands expensive)	100%	Percentage very low (stands expensive)	100%	Percentage very low (stands expensive)	100%	Percentage very low (stands expensive)	Only industrial sites services have been sold. Expensive for buyers to acquire. Currently : 150 service stands in Mothibistad	% of serviced sites sold to HDIs per request Minimum 5%	Q1= not achieved due to pricing Q2= not achieved, no demand Q3= not achieved, no demand Q4= Not achieved because of pricing. Council resolution to reduce the price	% of serviced stands sold	100%
		% of service stands sold to	0 (New)	Minimum of 50%	30% of stands sold were to	Minimum of 50%	30% of stands sold were	Minimum of 50%	30% of stands sold were to	Minimum of 50%	30% of stands sold were	Stands too expensive, and not	% of service stands sold to	No demand	% of service stands sold to HDIs in	80%



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
		HDIs			HDIs		to HDIs		HDIs		to HDIs	affordable to HDIs	HDIs (Minimum of a percentage as reflected in the key performance targets) Target 50%		relation to all stands sold	
	Lease agreements	% compliance	100%	100%	No requests for lease agreements received	100%	No requests for lease agreements received	100%	No requests for lease agreements received	100%	No requests for lease agreements received		% compliance (rental payment)	3 Zebra stalls was leased during Q3 and Q4 Targets achieved	% of compliance to legal requirements in respect of lease agreements	100%
To create an enabling environment for local economic	To support SMMEs and BBBEE through the application	% rand value	40%	45%	See report	45%	See report	45%	See Report	45%	See Report	Report in terms of BBBEE Purchases – to follow after Performance	% of bid purchases (in terms of monetary value [operational and	Supply Chain reports 50%	% of bid purchases (in terms of monetary value [operational and	Q1:5% Q2:5% Q3:10% Q4:10%



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
growth	n of the preferential procurement policies											nce Against SDBIP targets in terms of LED	capital budgets]) from local BBEEs and SMMEs		capital budgets]) from local BBEEs and SMMEs (New base-line = 1)	
		Number of events (workshops and seminars arranged for SMMEs)	20	As possible in terms of budgeted funds	4	As possible in terms of budgeted funds	3	As possible in terms of budgeted funds	2	As possible in terms of budgeted funds	No events	Due to budget constraints	Number of workshops and seminars arranged for SMMEs Target 4	9 seminars / workshop held	Not set as a target for the financial year	Not set as a target for the financial year
	To continuously market Ga-Segonyana as an investment destination focusing on development and	Number of events	0							2	2 Events: Easter and September events)		Number of tourists information desks set up during tourism events	3	Undertake tourism marketing campaigns within the scope of available funds	% of available funds spent



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	tourism opportunities															
	To properly staff the LED Unit	Appointment of an LED Officer	0							1	1 appointed		Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year
	To develop an SMME data base	Number of SMME databases developed	New							1	1 database developed and updated		Complete data base of all SMME	1	Not set as a target for the financial year	Not set as a target for the financial year
To continuously market Ga-Segonyana as an investment destination focusing on development and tourism opportunities	To arrange marketing events to promote Ga-Segonyana as a tourist destination	Number of tourism events arranged	0							2	2 events: Easter and September		Number of marketing campaigns for tourism in the villages and township Target 4	Achieved	Undertake tourism marketing campaigns within the scope of available funds	% of available funds spent



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
ies																
	To update marketing brochures	Percentage of marketing brochures , dealing with tourism and investment issues								100%	100%	Tourism marketing campaigns: Brochures, Tourism Expos, Information Desk, Advertisement of Tourist Attractions, Establishment of tourism forum, Functional Website Number of brochures distributed	Q1= 30 Q2= 0 Q3= 25 (Easter campaign) Q4=25 (Durban) Numbers of hints on websites Q1=20 Q2=1227 Q3=20 Q4=20 Number of Expo's attended =2	Not set as a target for the financial year	Not set as a target for the financial year	



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	To participate in Tourism marketing shows	Number of Tourism marketing shows attended	0	No target		No target		No target		1 Event	1 Event attended (in Durban – Durban Indaba)		Number of Tourism marketing shows attended	Q3= 25 (Easter campaign) Q4=25 (Durban)	Undertake tourism marketing campaigns within the scope of available funds	% of available funds spent
	To promote cultural tourism	Promote township, village and education tours, according to affordability: Number of targeted cultural tourist promotion points	New	2	Traditional doctor with wide variety of cultural tools was promoted amongst potential tourists; as well as the Kgalagadi Hotel in	2	Traditional doctor with wide variety of cultural tools was promoted amongst potential tourists; as well as the Kgalagadi Hotel	2	Traditional doctor with wide variety of cultural tools was promoted amongst potential tourists; as well as the Kgalagadi Hotel in Bathlars	2	Traditional doctor with wide variety of cultural tools was promoted amongst potential tourists; as well as the Kgalagadi Hotel	Promotion of cultural heritage is promoted in a cost-effective manner. During 2011/12, the following enjoyed specific attention: Traditional doctor with wide variety of cultural tools was promoted	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
					Bathlarios		in Bathlarios				in Bathlarios	amongst potential tourists; as well as the Kgalagadi Hotel in Bathlarios				
To ensure alignment between the PGDS, the DGDS, the DLED Strategy	Review of the LED Strategy	Number of LED Strategies reviewed	0							Draft Strategy finalized	Draft Strategy has been finalised	Develop an Incentive Programme / Package to attract business to the area: Draft LED Strategy to be submitted to Council in August 2012. The Strategy has been compiled with assistance	Revised LED Strategy/ Plan	Q4= Submitted a business plan to IDC And solicited assistance from dept of Ecn deve & tourism	Not set as a target for the financial year	Not set as a target for the financial year



Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
												e from the Department of Economic Affairs				
To improve economic development opportunities in collaboration with all relevant LED stakeholders	To establish and operationalise an LED Forum	Number of LED Stakeholder Forums established	1 Forum in place	1 meeting of the LED Forum	1 meeting was conducted	1 meeting of the LED Forum	1 meeting was conducted	1 meeting of the LED Forum	1 meeting was conducted	1 meeting of the LED Forum	1 meeting was conducted		Frequency of Meetings (Quarterly)	Q1= 1 achieved attend the joint meetings with district Q2= Established in the municipality, meeting to be held next quarter Q3 and Q4 = 1 Achieved Not fully achieved. Logistical arrangements have	Number of LED Stakeholder Forum meetings held	4 LED Stakeholder Forum meetings held

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Objective	Indicator	Unit of measurement	Baseline	Target : Quarter 1	Actual : Q1	Target: Quarter 1	Actual: Q2	Target : Quarter 1	Actual: Q3	Target : Quarter 1	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
														been finalised and the LED forum could now be established		

Report in terms of BBBEE purchases per department

Department	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Financial Services	0.00%	22.98%	0.00%	0.00%	6.29%	20.18%	2.38%	0.19%	0.00%	1.78%	0.00%	0.00%
Corporate Services	35.98%	0.00%	0.00%	10.51%	0.00%	0.00%	0.00%	81.88%	10.68%	0.00%	0.00%	0.00%
Community Services	2.79%	5.66%	19.54%	16.69%	8.70%	3.43%	13.45%	19.22%	1.74%	7.08%	0.67%	0.00%
Technical Services	60.87%	51.45%	0.00%	45.76%	13.13%	18.63%	22.70%	38.51%	51.74%	36.31%	35.09%	6.82%
Municipal Manager	0.00%	0.00%	0.00%	0.00%	60.28%	77.84%	9.53%	21.11%	0.00%	0.00%	0.00%	78.84%
Capital Projects	80.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	6.38%	0.00%



The following targets were set for the 2010/11 Financial Year and are not applicable to the 2011/12 financial year or were completed during the 2010/11 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Actual	Comments / Remarks
To support SMMEs and BBBEE through creating an enabling environment for economic development	Establishment of Cooperatives	Number of cooperatives established	New	0	1	0	1	In the second quarter SMME's were visited to verify existing ones Achieved 1 in the 4 th quarter	
	Support of Business Forum: Tourism, Small Contractors, Consultancy	Establishment of Ga-Segonyana SMME	new				1		
		Number of engagements	new	1	1	1	1	4 Achieved	
Planning and Development	Advertising of available sites targeting HDI's	Number of adverts	New	0	1	0	1	Advertised in the 2 nd quarter Not advertised in 4 th quarter- no residential sites	
To ensure that systems are in place to realize integrated human settlement in line with approved Spatial Development Framework	Policy review- Land disposal Policy to enhance sales	Reviewed policy	New					Council resolution taken to reduce price for the HDI's to enhance sale Achieved- sites sold in terms	



New objectives/ targets as set for the 2012/13 Financial Year

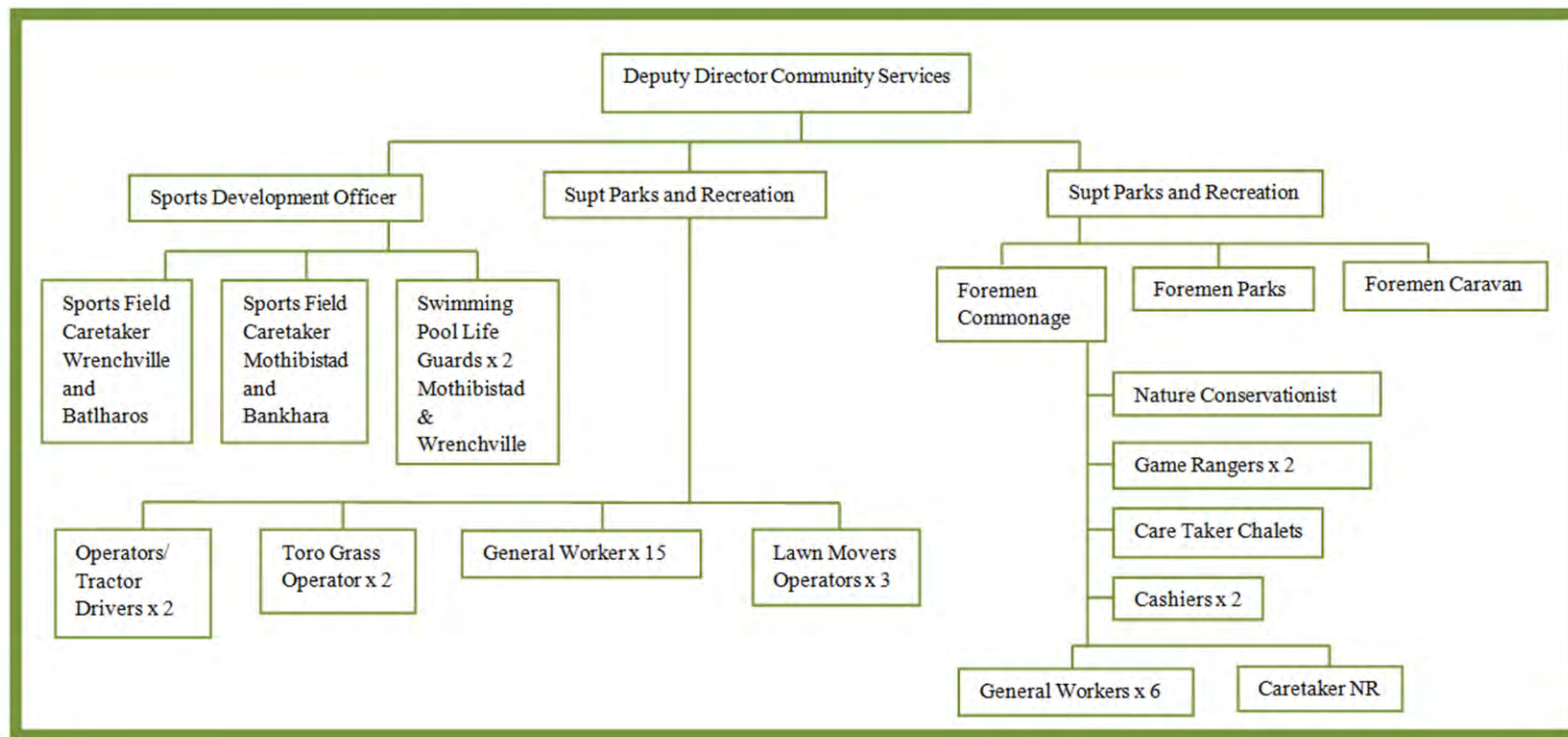
Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1		Target: Quarter 2		Target: Quarter 3		Target: Quarter 4		Comments / Remarks
To improve economic development opportunities in collaboration with all relevant LED stakeholders	To establish flee-markets at the following areas: Kuruman town Mothibistad Seoding and Magojaneng Batlhalors Bankhara	Feasibility study done to determine sustainability of flee- markets in the 5 areas	New							5 Feasibility studies		
To provide recreational facilities for the communities	Marketing of the Eye and Caravan Park	No. Of people visiting	4000	5000		5000		5000		5000		
To provide recreational facilities for the communities	Maintenance of the Nature Reserve	Number of game maintained	200	387		387		387		387		
	Maintenance of the swimming pools	Number of visits	800	2000		2000		2000		2000		

Component D: Community & Social Services

3.9 Community and Social Services

Figure / Table 49: Organogram

Community Services 4 Parks and Recreation





IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objective: <ul style="list-style-type: none"> To ensure the provision of at least one community facility, or closed sport and recreation facility per ward by 2014. To have all current community halls and sport stadiums fully upgraded and maintained to enable enhanced service delivery and community participation by 2014. To ensure that all existing cemeteries are registered and upgraded by 2012, with continuous maintenance To ensure that all existing cemeteries in ward 1-3 and a portion of Ward 4 are registered and upgraded by 2012, with continuous maintenance. 																
To ensure the provision of at least one community facility, or closed sport and recreational facility per ward and to	To develop and maintain community halls in line with available funding	New community halls developed	0							Project[s] starts	3 community halls constructed (construction starts)	Batlharos (Ward 10) Ncweng (Ward 7) Kagung (Ward 11)	Number of community halls constructed	All three Projects have contractor on site. Kagung, Ncweng and Batlharos community halls.	Community halls build in line with available funds Target 4th ¼: Project[s] starts	1
		Maintenance of community halls and municipal buildings	100%	100%, according to requirements	100% of quarterly funds spent to	100%, according to requirements	100% of quarterly funds spent to	100%, according to requirements	100% of quarterly funds spent to	100%, according to requirements	100% of quarterly funds spent to		To develop and maintain community halls in line with available	Equipping in terms of available budget	Maintenance of community halls and municipal buildings	

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IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
have all current community halls and sport stadiums fully upgraded and maintained to enable enhanced service delivery and community participation by 2012					maintain existing community halls	ts	maintain existing community halls		maintain existing community halls	s	maintain existing community halls		funding			
		Functionality of ward offices	0	100%	Ongoing maintenance – already equipped	No target	Ongoing maintenance – already equipped	No target	Ongoing maintenance – already equipped	No target	Ongoing maintenance – already equipped		Maintenance of community halls Community halls: Revenue generated aligned to number of rentals	100% of budget spent on maintenance	Functionality of ward offices Equipping in terms of available budget	100%
	To develop a new sport stadium (1 stadium)	1 new sport stadium developed	5							1	0 (One in Batlharos upgraded)	Upgrading: Ablution block, pavilion, tennis court	Maintenance budget for sport facilities spent 100% of budget	Target achieved	Number of sport stadiums finalised	1

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IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
)										ded)	and flood lights (4)	spent			
To ensure effective management and co-ordination of all sports and recreational facilities	To ensure the establishment of 1 Sports Council per ward	No. of Sport Councils	Sport Committees per ward	1 launched	13 Sports Committees (1 per ward); 1 Sport Council	--		--		--		Regional Sports Office coordinates events and meetings in the wards. Municipality only facilitates the committees. 1 Sport Council for the Municipality	Functional of Sports Committees per Ward No. of sports codes established 9/quarter 1 per quarter	No Sport official – not core function. Must maintain sport grounds. As already organized Sport Council and sports committees. In discussion with Region office of sector department to take over the function	No. Sports Committees established	No. of Committees Target: Sports Committees, to end up in 1 Sports Council for Municipality Sport Committees per ward 13
	Number of sport facilities	No. of sports	4	5	5	5	5	5	5	6	5	4 Functional sport	Number of sport facilities managed	Total maintenance budget	% of maintenance budget	% of budget spend Target:

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IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
	and parks managed and maintained	facilities										facilities in the municipality. 3 on Phase I of a project to make it operational.	and maintained 3 sport 2 swim	spent 2010/11 R149,667.20 Maintaining lawn around swimming pool Cleaning pools and ablution blocks around swimming pool Learn children to swim Lifeguards (5 seasonal workers every year)	for sport facilities spend	90%+
		No. of parks	11	11	24	11	24	11	24	11	24	3 Under construction	No. of parks managed and maintained	23/ quarter	No. of parks	23/ quarter
	% of maintenance budget for parks actually	% of budget spend	90%+	90%+	100%, according to amount for the quarter	90%+	100%, according to amount for the	90%+	100%, according to amount for the	90%+	100%, according to amount for the		23/ quarter	Total expenditure for Parks Maintenance R504	% of maintenance budget for parks actually	100%

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IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
	spend						quarter		quarter		quarter			027.49	spend	
To ensure effective management and co-ordination of all sports and recreational facilities	No. Sports Committees established	No. of Committees	8	13Sports Committees, to end up in 1 Sports Council for Municipality	13 Sport Committee; 1 Sport Council	13Sports Committees, to end up in 1 Sports Council for Municipality	13 Sport Committee; 1 Sport Council	13Sports Committees, to end up in 1 Sports Council for Municipality	13 Sport Committee; 1 Sport Council	13 Sports Committees, to end up in 1 Sports Council for Municipality	13 Sport Committee; 1 Sport Council			No Sport official – not core function. Must maintain sport grounds. As already organized Sport Council and sports committees. In discussion with Region office of sector department to take over the function	No. of Committees Target: Sports Committees, to end up in 1 Sports Council for Municipality	13
		Community halls: Revenue generated aligned to number of rentals	100%	100%	100%	100%	100%	100%	100%	100%	100%		Community halls: Revenue generated aligned to number of rentals	100%	Community halls: Revenue generated aligned to number of rentals	100%
	% of maintain	% of budget	90%+	90%+	100%, accordi	90%+	100%, accord	90%+	100%, accord	90%+	100%, accord		Maintenance	90%+	% of budget	100%

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IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
	ance budget for libraries actually spend	spend			ng to quarterl y budget		ing to quarterl y budget		ing to quarterl y budget		ing to quarterl y budget		budget for libraries actually spent		spend Target: 90%+	
	% of library development grant spent	% spent	New							100%	100%		Library development grant spent Number of libraries benefiting from the grant No of library programmes implemented quarterly	90%+ 5 25 Achieved	% of library development grant spent	100%
To make available money for poverty and paupers	Ensure funds for poverty and paupers funerals	Money spent as and when required	Money spent as and when required	Money spent as and when required	100%	Money spent as and when required	100%	Money spent as and when required	100%	Money spent as and when required	100%		No of bereaved families assisted	100% as approved	Ensure funds for poverty and paupers funerals	100% as approved



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual: Q2	Target: Quarter 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/ 13
funerals																

New objectives/ targets as set for the 2012/13 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1		Target: Quarter 2		Target: Quarter 3		Target: Quarter 4		Comments / Remarks
To ensure effective management and co-ordination of all sports and recreational facilities	Maintenance of cemeteries	No of cemeteries maintained	3	3		3		3		3		
	Provision of books	No of books issued to users on loan	New	100%		100%		100%		100%		
	Provide assistance to students and scholars	No of inquiries made	New	1000		1000		1000		1000		
	Provision of photocopying services	No of photocopies made	New	100%		100%		100%		100%		
	Maintenance of library equipment	No of reminders sent for the return of books	New	100		100		100		100		

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Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1		Target: Quarter 2		Target: Quarter 3		Target: Quarter 4		Comments / Remarks
	Marketing of the facility	No of visits	New	100%		100%		100%		100%		
		No of holiday programs	New	8		8		8		8		
To provide recreational facilities for the communities	Maintenance of the Nature Reserve	Number of game maintained	200	400		400		400		400		
	Marketing of the Eye and Caravan Park	No. Of people visiting	4000	5000		5000		5000		5000		
	Maintenance of the swimming pools	Number of visits	800	2000		2000		2000		2000		

Component E: Health

3.10 Health

Figure / Table 50: Organogram

Community Services 3.1: Health Services

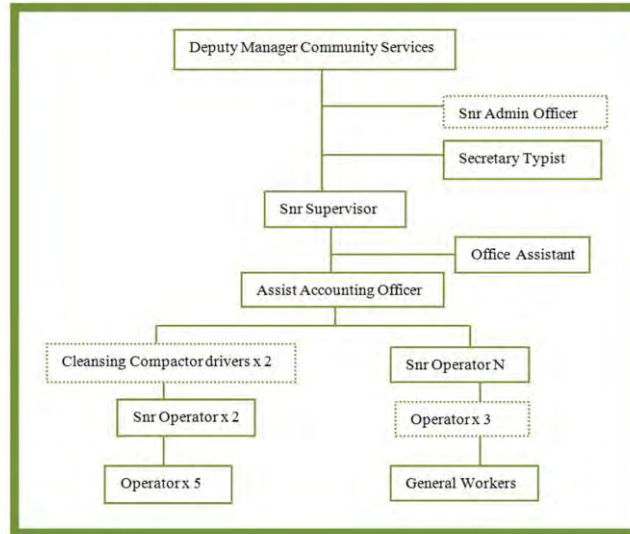
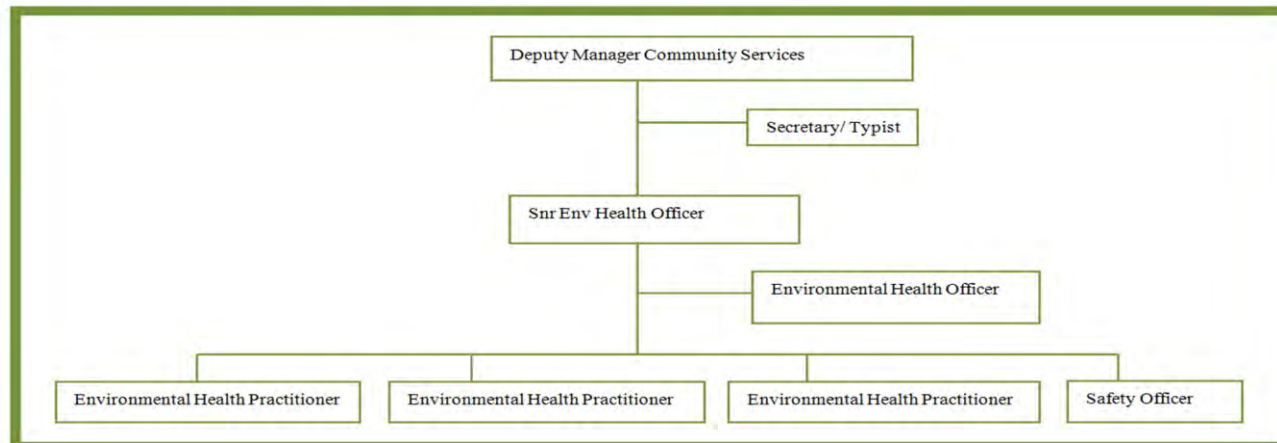


Figure / Table 51: Organogram

Community Services 3: Health





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Q 1	Actual: Q1	Target: Qr 2	Actual: Q2	Target: Q 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objective: <i>To ensure systems and policies are put in place to ensure safe living conditions of all residents in Ga-Segonyana. To embark on programmes focusing on special groups as women, elderly, disabled, children and youth and to create awareness amongst all communities on HIV and Aids and other communicable diseases by 2014</i>																
Health and hygiene awareness programme	Launching of a health and hygiene awareness programme	No. of programmes	0	1	1							Only 1 Health Practitioner. From 2012/13 it has been transferred to the district	Provision of a health and hygiene awareness programme for SMM E's	Q1= 1 Campaign conducted at Ward 7 Q3= Health Education for street sellers Not fully achieved	Not set as a target for the financial year	Not set as a target for the financial year
To ensure a safe and healthy environment through continuous health inspections	Number of visits to collect samples (water samples)	Number of visits	12	3	64	3	23	3	55	3	1	The function is transferred to the District Municipality	Collect samples: Water, Milk & Food 50/Q	Q1= Water samples 48 Milk samples 25 Q2= Water samples 42 Milk samples 20 Q3= Water samples 42 Milk samples	Not set as a target for the financial year	Not set as a target for the financial year

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IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Q 1	Actual: Q1	Target: Qr 2	Actual: Q2	Target: Q 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
														12 Q4= Water samples 47 Milk samples 22		
	Number of inspections conducted	Number of inspections	84	84	100	84	65	84	50	84	0	District function, Health Practitioner transferred to the John Taolo District Municipality. Thus poor performance in fourth quarter.	Number of inspections conducted on formal & informal businesses	Q1= Funeral Parlours 6 Shops 58 Bakeries 4 Prisons 2 Schools 2 Tuck – Shops 48 Early Learning Centers 1 Businesses Registered 33 Q2= Funeral Parlours 6 Shops 17 Bakeries 3 Prisons 0 Schools 3 Tuck – Shops 56 Early Learning	Not set as a target for the financial year	Not set as a target for the financial year



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Q 1	Actual: Q1	Target: Qr 2	Actual: Q2	Target: Q 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
														Centers 0 Businesses Registered 8 Q3= Funeral Parlours 6 Shops 16 Bakeries 3 Prisons 0 Schools 0 Tuck – Shops 23 Early Learning Centers 0 Businesses Registered 23 Q4= Funeral Parlours 4 Shops 11 Bakeries 0 Prisons 0 Schools 0 Tuck – Shops		



IDP Goal	SDBIP Objective	Key Performance Indicator	Baseline	Target: Q 1	Actual: Q1	Target: Qr 2	Actual: Q2	Target: Q 3	Actual: Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
														17 Early Learning Centers 0 Butcheries 1 Businesses Registered 27		

The following targets were set for the 2010/11 Financial Year and are not applicable to the 2011/12 financial year or were completed during the 2010/11 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 1	Target: Quarter 1	Target: Quarter 1	Actual	Comments / Remarks
To provide secure and safe traffic environment	Pounding of stray animals	No of animals pounded	Ward 1to9	35	40	50	50	Total animal pounded Q1= 7 Q2=14 Q3=19 Q4=25	Total Expenditure 2010/11 R28 182.30 Total Income 2010/11 R10 720.77

New objectives/ targets as set for the 2012/13 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1		Target: Quarter 2		Target: Quarter 3		Target: Quarter 4		Comments / Remarks
To ensure safe and healthy environment for the communities	Pounding of animals	Number of animals pounded	2	100%		100%		100%		100%		



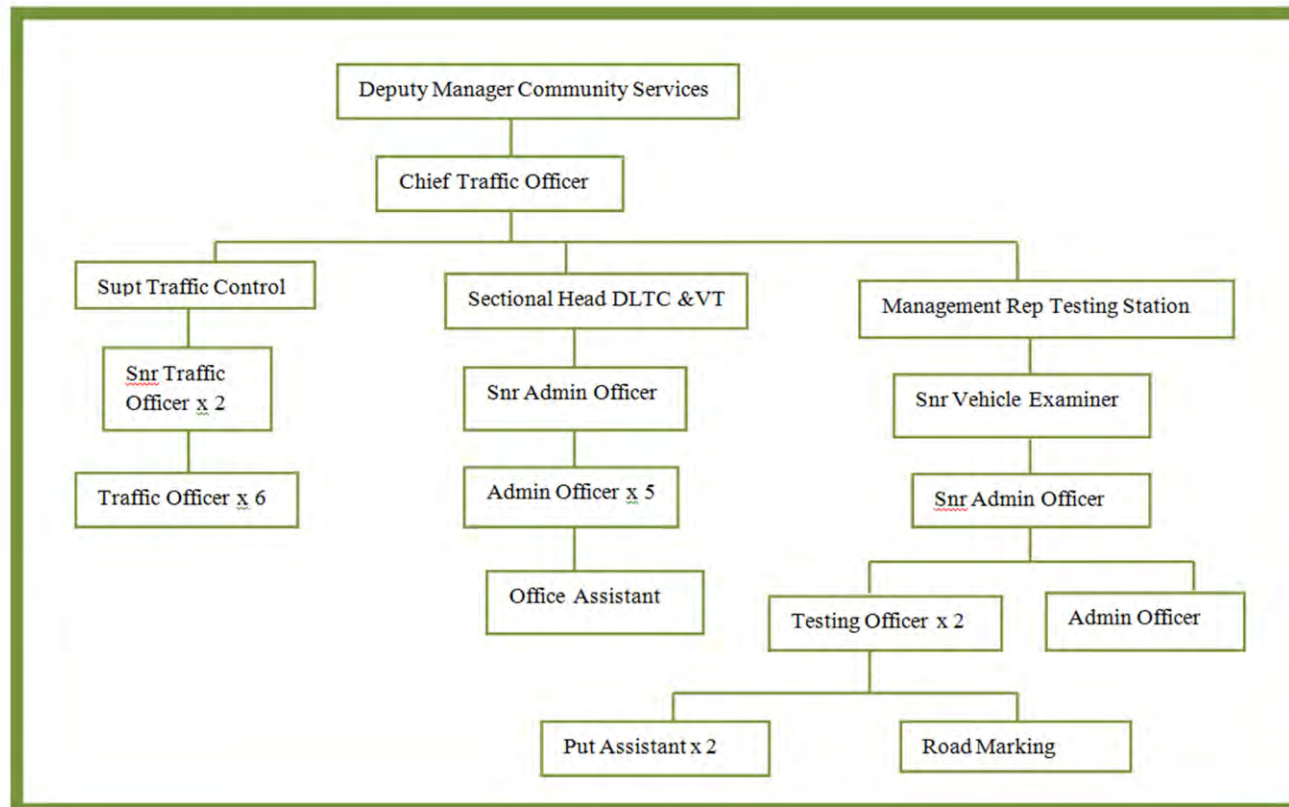
Component F: Safety and Security

3.11 Safety and Security

Employees of Barlow Company in Kuruman were given training for basic fire fighting. They have trained how use and operate a fire extinguishers during fire incidents, and they have also trained the classifications of fire according to classes of fires.

Figure / Table 52: Organogram

Community Services 2: Traffic





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target : Quarter 2	Actual : Q2	Target : Quarter 3	Actual : Q3	Target : Quarter 4	Actual : Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
To ensure systems and policies are put in place to support and ensure safe living conditions of all residents in Ga-Segonyana	Variety of output indicators, as measured in terms of the targets in the organisational PMS, relating to the Community Services Department	%, as expressed in terms of need and affordability	100%, according to need and budget allocations	100%, according to need and budget allocations	100%, according to quarterly budget	100%, according to need and budget allocations	100%, according to quarterly budget	100%, according to need and budget allocations	100%, according to quarterly budget	100%, according to need and budget allocations	100%, according to quarterly budget	By-laws and policies to regulate traffic safety are in place and adhered to	Not set as a target for the financial year	Not set as a target for the financial year	Variety of output indicators, as measured in terms of the targets in the organisational PMS	100%, according to need and budget allocations
	Purchasing of firefighting equipment	% expenditure in terms of available funds	New					No target	Firefighting truck	100%	100%	Firefighting truck, R2,5 million	Purchasing of firefighting equipment	9 fire extinguishers	Not set as a target for the financial year	Not set as a target for the financial year
	Weighbridge: To reduce overweight	Self-sustainability	New	100% of cost to be recovered	No longer in use	100% of cost to be recovered	No longer in use	100% of cost to be recovered	No longer in use	100% of cost to be recovered	No longer in use	Calibration cost, without any	Not set as a target for the	Not set as a target for the	Not set as a target for the	Not set as a target for the



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target : Quarter 2	Actual : Q2	Target : Quarter 3	Actual : Q3	Target : Quarter 4	Actual : Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	trucks on roads			d from utilization		ed from utilization		ed from utilization		ed from utilization		benefit. The mines already weigh the trucks	financial year	financial year	financial year	financial year
	Provide and replace street names, road signs and pedestrian crossings	Street names and road signs	On-going							100%	100%	As and when necessary - according to availability of funding	No of road signs replaced 12/Q Km's road markings=120	Achieved	No of road safety operations conducted	12/Q
															No of vehicles fined	1000/Q
															No of fines issued	400/Q
															No of signs repaired and	100%



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target : Quarter 2	Actual : Q2	Target : Quarter 3	Actual : Q3	Target : Quarter 4	Actual : Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
															installed	
															Kilometers of roads painted	15/Q
	Equipment for the vehicle testing station	% of available money spent								100%	100%		Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year

The following targets were set for the 2010/11 Financial Year and are not applicable to the 2011/12 financial year or were completed during the 2010/11 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Actual	Comments / Remarks
To ensure secure and safe environment for	Response to emergencies	Turnaround time in terms of emergencies (fire and	10minutes after being alerted	10 Minutes	10 Minutes	10 Minutes	10 Minutes	Target achieved	



Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Actual	Comments / Remarks
communities		accidents)							
	Response to disasters reported	Attendance to declared disaster	100% as declared	100%	100%	100%	100%	Achieved: Disasters are addressed as and when required	Capacity limitations of the municipality a limiting factor: Cooperation with the DM
To provide secure and safe traffic environment	Law enforcement	No of road blocks conducted per month	4 Road blocks per month	20	20	60	20	Target achieved	
		% of f traffic fines paid	70%	80%	80%	80%	80%	Target achieved	
		No of traffic fines issued		1713	1457	1019	272	Target achieved	
		Testing: Drivers & Learners License, Vehicle.	No of tests conducted		2438	1344	1942	330	Target achieved
		Road Safety Campaign	No of campaigns conducted		25	24	60	12	Target achieved
		Provide and replace street names	No of street names erected	Ward 1 to 9	100% as requested	100% as requested	100% as requested	100% as requested	Target achieved
		Erection of speed humps	No of speed humps erected	Ward 1 to 3	100% as approved	100% as approved	100% as approved	100% as approved	Target achieved

New objectives/ targets as set for the 2012/13 Financial Year

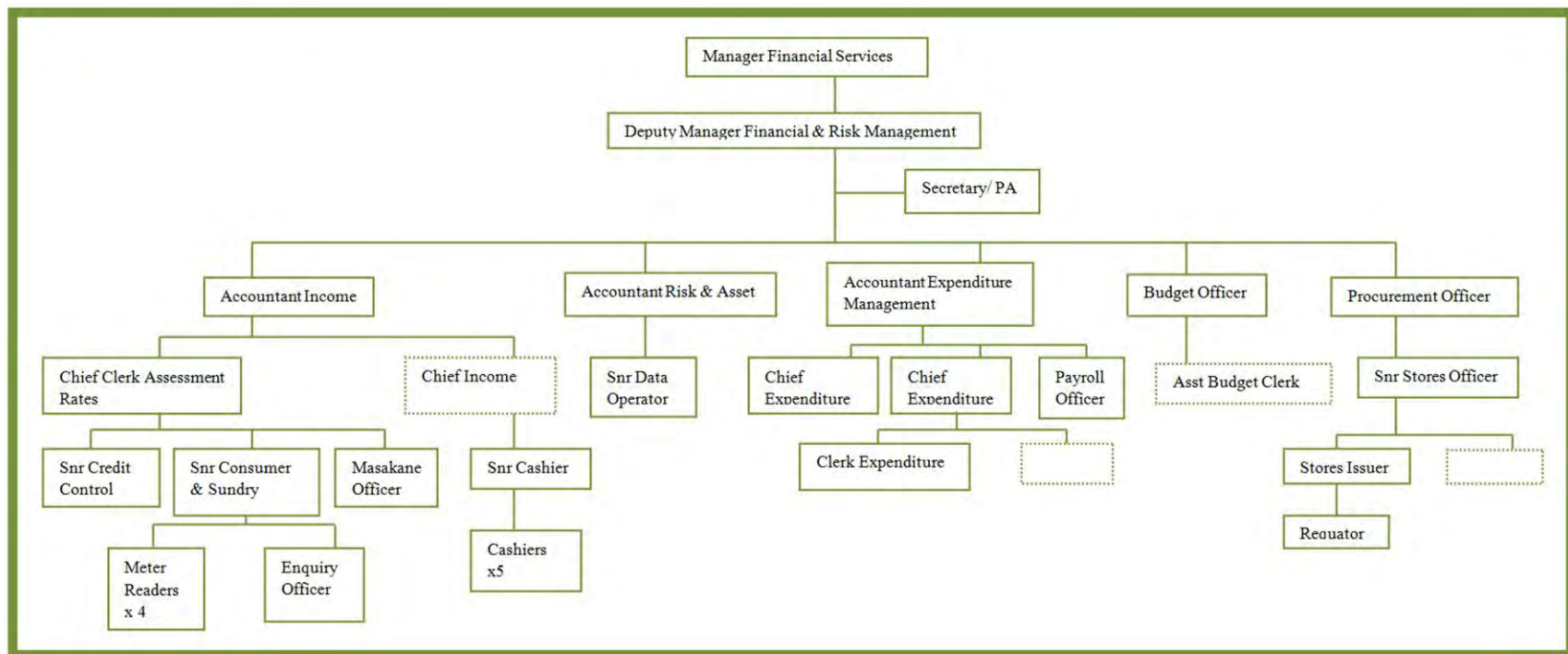
Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1		Target: Quarter 2		Target: Quarter 3		Target: Quarter 4		Comments / Remarks
To ensure disaster preparedness and contingency plans	identification of disaster hazards, disaster recovery and rehabilitation	No of tents, sails and blankets donated	10	100%		100%		100%		100%		
	Attendance to veld fires reported	% of veld fires attended to	1	100%		100%		100%		100%		



Component G: Financial Management

Figure / Table 53: Organogram

Finance Department





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objective: <ul style="list-style-type: none"> To ensure financial viability by enhancing the income base, reducing outstanding debts and ensuring an unqualified audit report by 2014 To implement supply chain management (SCM) system 100% by 2014. To ensure 100% compliance to GRAP To ensure effective management and monitoring of the budget 																
To ensure financial viability by enhancing the income base, reducing outstanding debts and ensuring an unqualified audit report by 2012	To increase revenue collection by 10% per year	% revenue increase per year	10%	No target	NA Disconnection of electricity in cases of non-payment. Lack of sufficient personnel is a stumbling-block	No target	NA Disconnection of electricity in cases of non-payment. Lack of sufficient personnel is a stumbling-block	No target	NA Disconnection of electricity in cases of non-payment. Lack of sufficient personnel is a stumbling-block	10%	Not achieved; debt increased	Lack of resources, machinery and personnel. Culture of non-payment. Debtors do not respond to debt. Use consolidated billing to increase control over non-payment	Outstanding service debtors to revenue (Service payments / total operational income)	Cannot disconnect electricity due to lack of Electricians, unable to attract Electricians due to uncompetitive remuneration as compared to the Mines.. Unable to enforce collect at Mothibstad due to Title Deed issue.	Develop the revenue enhance strategy	1
	Decrease in outstanding	% decrease in	4%							4%	Not achieved; debt	Lack of resources, machinery	Not achieved, debt	Could not disconnect electricity	% decrease in	4%



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	ng debt (Current outstanding consumer debtors – previous outstanding consumer debtors / previous outstanding debtors)	outstanding debt									increased	and personnel. Culture of non-payment. Debtors do not respond to debt. Use consolidated billing to increase control over non-payment	increased by 16%	due to lack of Electricians, unable to attract Electricians due to uncompetitive remuneration as compared to the Mines. Unable to enforce collect at Mothibstad due to Title Deed issue. Improvement measures: Title deed issue needs to be resolved before target could be achieved	outstanding debt	
	Outstanding service debtors to revenue (Service	% of service payments to total operational	43%	45%	26%	45%	27%	45%	32%	50%	43%		% of service payments to total operational	63%, achieved	% of service payments to total operational	44%/ Q4

Ga-Segonyana Local Municipality



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	payments / total operational income)	income											income Target 50% /Q4		income	
	Percentage (value) of grants in relation to total municipal budget	Grants as a % of total municipal income	46%	No target	(37%)	No target	NA	No target	NA	46%	35%		Not set as a target for the financial year	Not set as a target for the financial year	Grants as a % of total municipal income	45%/Q4
	Payment against outstanding debt service payments / levies + outstanding beginning of year) x 100 (Consumer reconciliation = S	% payment against outstanding debts (collections against outstanding debtots)	Payment levels: 17% Outstanding debts: 83%	Decrease outstanding debts by 10% per annum	33%	Decrease outstanding debts by 10% per annum	51%	Decrease outstanding debts by 10% per annum	63%	Decrease outstanding debts by 10% per annum	71%	Not satisfactory – aim to achieve 85%. In the process of finalizing the Revenue Enhancement Strategy. To be adopted by Council in August 2012.	71%	Cannot disconnect electricity due to lack of Electricians. Terminated Credit Worx's contract due to non-performance. The Municipality is in the process of appointing Attorneys to	% payment against outstanding debts	80%

Ga-Segonyana Local Municipality



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
														assist with debt collection.		
	Cost coverage ratio (Expenditure / income)	Relationship between expenditure as a % of income	93%	95%	1.17	70%	1.10	93%	1.25	95%	1.08	Satisfactory	Relationship between expenditure as a % of income/ 95%	95% spent/ Q4 Unable to attract suitable candidate; delay of backpays outcome from SALGA. A service provider to assist with GRAP conversion was only appointed in October.	Cost coverage ratio (Expenditure / income)	10%/Q4
	Debt coverage ratio (A=B-C / D = B=total operating revenue	Debt coverage Ratio	Per annum (Annual indicator only)	New						7,58:1 (R7,58 income in relation to R1 loan repaym	16,26: 1 (Municipality improve its ability to repay its debt)		Not set as a target for the financial year	Not set as a target for the financial year	Ratio (in relation to 1, e.g. 7,58 = 7,58:1)	13.47 /Q4

Ga-Segonyana Local Municipality



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	received – C= operating grants / D=debt service payments)									ents)						
	Percentage of total budget allocated to— Salaries	Budget allocations utilized: Salaries	26%	26%	27%	26%	28%	26%	24%	26%	24%	Delay in filling in vacant posts	Budget allocations utilized 35%	Unable to attract suitable candidate; delay of backpays outcome from SALGA	Salaries	35% / Q4
	Capital	Capital	14%	14%	9%	14%	10%	14%	12%	14%	16%		14%	12% Projects implementation started late and DBSA projects were delayed as per instruction from the Bank to revisit the	Capital expenditure	14%



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
														project list.		
	Maintenance	Maintenance	16%	16%	7%	16%	9%	16%	10%	16%	9%		16%	11% Delay in tender processes	Repairs and Maintenance	8%
To ensure an unqualified audit report by 2012	To ensure an unqualified audit report by 2012	Audit opinion	Disclaimer	--		--		--		Qualified	(November)		Improvement in terms of bank recon and asset register	Qualified	Audit opinion: 1=At least qualified ; 0 = worse than qualified	1
To implement the SCM system 100% by 2009/10	To implement the SCM system 100% by 2009/10	Implementation of the SCM system	Structure design 3x Required Committees			Filling of 2x SCM posts	Not filled.					Circumstances in the municipality were unstable. Posts filled in 2012/13 financial year	Filling of 2x SCM posts	Posts filled (2x)	Not set as a target for the financial year	Not set as a target for the financial year
To create an enabling environment for local	To support SMMEs and BBBEE through	% of bid purchases (in terms of monetary value)	40%	45%	See report	45%	See report	45%	See Report	45%	See Report	Report in terms of BBBEE Purchases – to follow after		Supply Chain reports	% of bid purchases (in terms of monetary value)	30%



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
economic growth	the application of the preferential procurement policies	[operational and capital budgets]) from local BBBEEs and SMMEs										Performance Against SDBIP targets in terms of Finances			[operational and capital budgets]) from local BBBEEs and SMMEs (New base-line = 1)	
To ensure compliance with GAMAP / GRAP with regard to asset management	To ensure compliance with GAMAP / GRAP with regard to asset management	Progress with implementation of phased approach	GRAP compliant	GRAP compliant	GRAP compliant (Achieved)	GRAP compliant	GRAP compliant (Achieved)	GRAP compliant	GRAP compliant (Achieved)	GRAP compliant	GRAP compliant (Achieved)	Remaining problem relates to additions	Compilation of asset register	GRAP compliant	GRAP compliant asset register =1 Monthly update of asset register	1 12
To ensure effective management	To ensure effective management and monitoring	% under / over-expenditure	Budget Vote (93%)	Spending according to Budget Vote	Information not yet available	Spending according to Budget Vote	Information not yet available	Spending according to Budget Vote	Information not yet available	Spending according to Budget Vote	Information not yet available	Dependent on AGS analysis	% under / over-expenditure	7% under, within the budget	% under / over-expenditure (Targets referred)	90%

Ga-Segonyana Local Municipality



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	ng of the budget			(10% under expenditure)		(10% under expenditure)		(10% under expenditure)		(10% under expenditure)			Spending according to Budget Vote (10% under expenditure)	There is overspending and under spending in some votes, the overall expenditure is well on target	to under-expenditure)	
	To ensure an approved budget for the municipality in line with the MFMA and related budget circulars by 31 May each year	An approved budget by 31 May	1							1	1 (Achieved)		Approval of budget within timeframe	Achieved	An approved budget by 31 May = 1	1
	To ensure an approved mid-year review budget	An approved mid-year review budget	1					1	1 (Achieved)				Approval within timeframe	Achieved	budget by 28 February = 1	1



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	by end of February	by 28 February														
	To ensure that 85% of grant monies are spend annually (MSIG, MIG, FMG)- All departments	% of grant money spend per annum	New	No target	NA	No target	NA	No target	NA	85%	81.3%	Delay in procurement processes; i.e. non-responsive bids	85%		% of grant money spend per annum (meet at least 100% target = 1)	100%
To ensure that 100% of registered indigents receive free basic services / subsidies	% of equitable share towards free basic services	% of equitable share towards free basic services	30%	30%	Achieved	30%	Achieved	30%	Achieved	30%	Achieved	There was a challenge with services to indigents in the Bankhara-Bodulong area	Not set as a target for the financial year	Not set as a target for the financial year	% of equitable share towards free basic services	85%
Financial statements submitted by 31	Financial statements submitted by 31	Financial statements submitted by 31	1	1	1							This matter is receiving urgent attention	Not set as a target for the financial year	Not set as a target for the financial year	Financial statements submitted by 31	1

Ga-Segonyana Local Municipality



IDP Goal	SDBIP Objective	Key Performance Indicator	Base-line	Target: Quarter 1	Actual : Q1	Target: Quarter 2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual: Q4	Comments / Remarks	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
August	August	August											1 year		August=1	
To ensure an updated valuation roll with a view of improving municipal income	Availability of an updated valuation roll	No of valuation rolls available	0							1		This matter is receiving urgent attention	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year	Not set as a target for the financial year
To ensure that 100% of registered indigents receive free basic services	To develop and update the indigent register	Number of indigent registers developed and percentage updated	1 100%							1 100%	1 100%		Not set as a target for the financial year	Not set as a target for the financial year	Develop an Indigent register: Base-line refer to 1 for wards 1-3; target of 1 in quarter 1 refer to BB and target in quarter 2 [1] to ward 8	1



Report in terms of BBBEE purchases per department

Department	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Financial Services	0.00%	22.98%	0.00%	0.00%	6.29%	20.18%	2.38%	0.19%	0.00%	1.78%	0.00%	0.00%
Corporate Services	35.98%	0.00%	0.00%	10.51%	0.00%	0.00%	0.00%	81.88%	10.68%	0.00%	0.00%	0.00%
Community Services	2.79%	5.66%	19.54%	16.69%	8.70%	3.43%	13.45%	19.22%	1.74%	7.08%	0.67%	0.00%
Technical Services	60.87%	51.45%	0.00%	45.76%	13.13%	18.63%	22.70%	38.51%	51.74%	36.31%	35.09%	6.82%
Municipal Manager	0.00%	0.00%	0.00%	0.00%	60.28%	77.84%	9.53%	21.11%	0.00%	0.00%	0.00%	78.84%
Capital Projects	80.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	6.38%	0.00%

New objectives/ targets as set for the 2012/13 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Comments / Remarks
To ensure financial viability by enhancing the income base, reducing outstanding debts a	Develop the revenue enhance strategy	Revenue enhancement strategy in place = 1	New		1			
To ensure an unqualified audit report by 2014	Review Internal Controls and ensure that Internal Controls are adhered to, report submitted in time and compliance with legislation	Number of reports compiled & submitted = 1	1			1		
	To address issues raised in the previous audit report through implementation of an approved action plan that is realistic and	Quarterly progress reports on the approved action plan to Council	4	1	1	1	1	



Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Comments / Remarks
	achievable							
	To ensure that the performance report is completed together with the AFS in August 2012	Completed performance report at end of the year	4	1	1	1	1	
To ensure that the supply chain management policy of the municipality is properly implemented	Review of SCM Policies with amended regulations	To ensure that SCM process are adhered to = 1	1			1		
	Structure design: 1=all relevant functions have been established	Filling of posts: Number filled (base-line referred to committees established) (Target refer to posts filled)	2	2				
	Reports regarding the SCM as required by legislation	Number of reports submitted	12	3	3	3	3	
	Bid committee meetings	Number of days after closing the bid	New	90	90	90	90	
	Write and distribute Bid Committee Minutes	Number of days after meeting	New	90	90	90	90	
	Obtain quotation after requisition	number of days allowed for obtaining quotation	New	3	3	3	3	
To ensure effective budget	To ensure that the municipality pay its creditors within 30	% of payment made within 30	70%	90%	90%	90%	90%	



Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Comments / Remarks
management	days	days						
To improve the cash flow position of the municipality by March 2013	Develop Cash and investment management policy	Cash and investment policy in place = 1	1	1				
MFMA reporting requirements	To ensure that the Municipality comply with MFMA reporting requirements	Compliance with MFMA						
	Submission of reports within 10 working days from month end (Section 71 Reports)	Number of reports submitted	12	3	3	3	3	
	Regularity with the performance of bank reconciliation	Perform monthly bank reconciliation	12	3	3	3	3	
	Monthly Debtors reconciliations	Number of reports submitted	12	3	3	3	3	
	Monthly VAT reconciliations	Number of reports submitted	12	3	3	3	3	
	Monthly grants reconciliations	Number of reports submitted	12	3	3	3	3	
	Monthly deposit register reconciliations	Number of reports submitted	12	3	3	3	3	
	Update of investment register	Number of reports submitted	12	3	3	3	3	

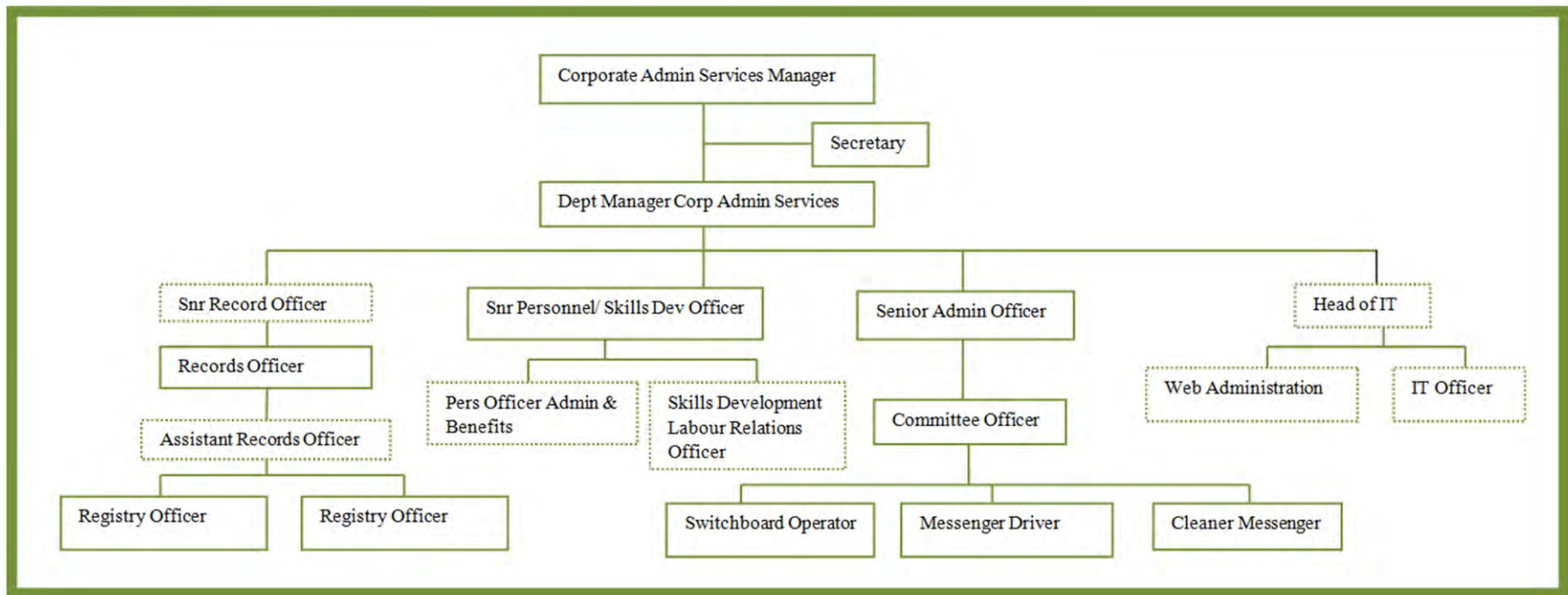


Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Comments / Remarks
	Submission of bi-monthly budget report to council : Revenue & Expenditure	Number of reports submitted	6	1	2	1	2	
	Submission of performance and budget reports within 14 days after the end of each quarter: Quarterly reports - implementation of MFMA	% success rate with submission of reports	4	1	1	1	1	
	Submission of quarterly returns within 30 days after the end of each quarter	Number of reports submitted	4	1	1	1	1	
	Submission of monthly fleet management reports in line with the Fleet Management Policy	Number of reports submitted	12	3	3	3	3	
To ensure full implementation of the property Rates Act	All relevant administrative process in place to administer the property Rates Act.	Interim valuations are done every year = 1	1	1				
	Monthly rates and taxes reconciliations	Number of reports submitted	12	3	3	3	3	
To re-value municipal assets	Completion of re-valuing of municipal assets	% completion	New					
	Annual stock take	Number of stock take =1	1	1				

Component H: Institutional Development

Figure / Table 54: Organogram

Corporate Admin Services





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Objective	Indicator	Unit of measurement	Base-line	Target : Quarter 1	Actual : Q1	Target : Q2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual : Q4	Comments	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objectives: <ul style="list-style-type: none"> To ensure the representation of staff component according to targets in the Employment Equity Plan. To ensure the implementation of the Work Place Skills Plan 																
To ensure the representivity of the staff component of the Department according to the targets in the Employment Equity Plan	% Representivity as reflected in the EQP (Consolidated reporting function also vested in this Department)	% Representivity in terms of EQP		According to EQP, as reviewed annually	Complied with targets in Plan	According to EQP, as reviewed annually	Employment Equity Report submitted	According to EQP, as reviewed annually	Complied with targets in Plan	According to EQP, as reviewed annually	Complied with targets in Plan	No coloured and white manager in middle management	End of October	Achieved	% Representivity in terms of EQP, Target: According to EQP, as reviewed annually	1
To ensure the implementation of the Workplace Skills Plan (Consolidated reporting function also vested in this Department)	Number of people (councilors and officials) attending training	No. of persons trained	70	100						100		160	20	Achieved 8 in the 1 st Quarter and 7 in the other 3 quarters	No. of persons trained	70
	% of skills development budget	% of skills budget	New							100%		100%	Timeous Submiss	End of June	% of skills budget	100%



IDP Objective	Indicator	Unit of measurement	Base-line	Target : Quarter 1	Actual : Q1	Target : Q2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual : Q4	Comments	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	spend on training	spent											ion of WSP to LGSET A		spent	
	% of money claimed back from the SETAs	% of money claimed back from SETA	45%	100%	No target	100%	No target	100%	No target	45%	100%		100%	100% achieved	% of money claimed back	100%
	% of study aid budget spent	% spent	100%							100%	100%		Not set as a target in the financial year	Not set as a target in the financial year	% spent	100%
To ensure that performance level agreements are signed with all service providers	% of service providers with whom performance level agreements have been signed	% of service providers	New	100%	100%	100%	100%	100%	100%	100%	100%		100%	Achieved in all quarters except quarter 2- Out of 4 only one is signed 3 for tech 1 for finance returned to obtain serv provider signature	% of service providers	100%



IDP Objective	Indicator	Unit of measurement	Base-line	Target : Quarter 1	Actual : Q1	Target : Q2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual : Q4	Comments	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
To ensure regular management and supervisory meetings a mechanisms to ensure effective spread of information in the mun	Number of management and supervisory meetings scheduled in relation to the number that has actually been held	% of meetings scheduled vs. conducted	New	85%	100%	85%	100%	85%	100%	85%	100%		6	Meetings held according to schedule except quarter 2	% of meetings scheduled vs. conducted	100%
To ensure effective utilization of the IMIS	% of correspondence attended to	% of correspondence attended to	New	85%	IMIS Reports available: 65%	85%	IMIS Reports available: 65%	85%	IMIS Reports available: 65%	85%	IMIS Reports available: 65%		85%	Achieved	% of correspondence attended to	85%
To ensure effective council management	% compliance in terms of scheduled meetings	% compliance in terms of scheduled meetings	100%	100%	100%	100%	100%	100%	100%	100%	100%	All Council meetings were conducted, as well as special council meetings, not reflected in statistics	% council meetings held as per schedule	100%	% of meetings scheduled vs. conducted	100%



IDP Objective	Indicator	Unit of measurement	Base-line	Target : Quarter 1	Actual : Q1	Target : Q2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual : Q4	Comments	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	Timely distribution of Agendas for Council meetings	Period: Distribution of Agendas before Council meetings	48hours	48hours	100%	48hours	100%	48hours	100%	48hours	100%		48hours	Achieved	Period: Distribution of Agendas before Council meetings (hours)	7 days

The following targets were set for the 2010/11 Financial Year and are not applicable to the 2011/12 financial year or were completed during the 2010/11 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Actual	Comments / Remarks
Records management	Scanning of all received tender documents	% of received tender documents scanned						Due to Lack of direct submission to registry not achieved	No targets set for 2010/11 financial year
To ensure that performance level agreements are signed with all service providers appointed in the department	List of departmental Service Providers and Service level agreements	Updated list of departmental Service Providers and Service level agreements	New					Achieved	



Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Actual	Comments / Remarks
	Service Providers' performance report	Submission of reports to procurement unit	New	1 As and when available	1 as and when available	1 as and when available	1 as and when available	Achieved	As and when available Depts. Does not provide progress report
To ensure the implementation of the Workplace Skills Plan (Consolidated reporting function also vested in this Department)	Capacity building for Community Members	No of learnerships arranged for community members	2	0	0	0	3	Q1=4 as opportunities arise Q4= 3 achieved	
		Information on training opportunities made available to community members	new	1	1	1	1	Achieved	
		Community members given info regarding to relevant tertiary and training institutions	New	3	3	3	3	Achieved	
		No of interns trained per annum	5				7	19 Achieved	

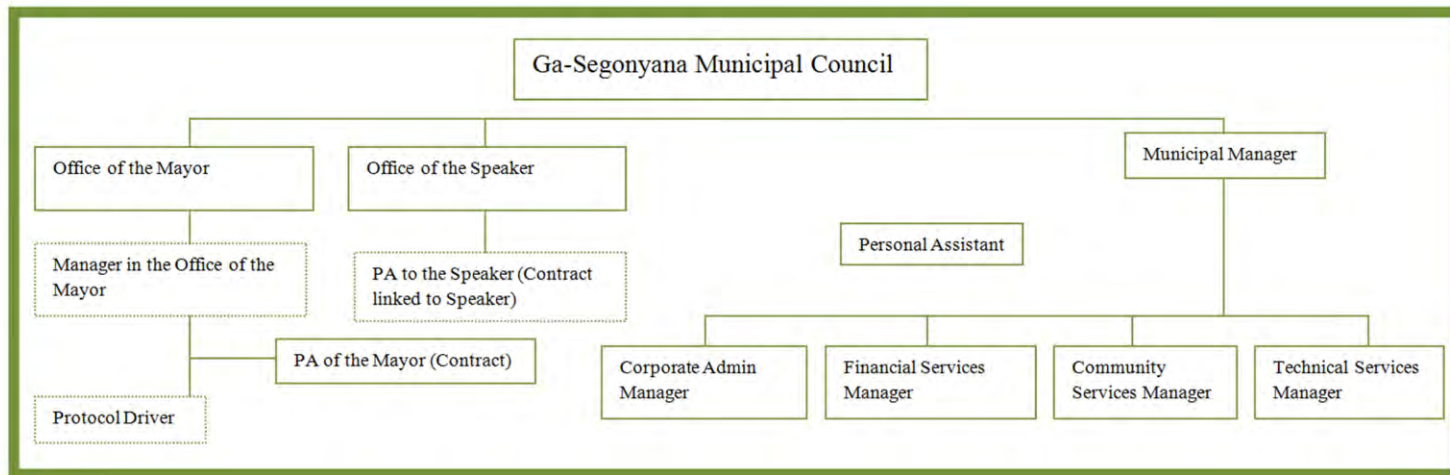
New objectives/ targets as set for the 2012/13 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Comments / Remarks
To ensure the implementation of the Workplace Skills Plan (Consolidated reporting function also vested in this Department)	Number of people (councillors and officials) attending training	No. of persons trained	70	100				

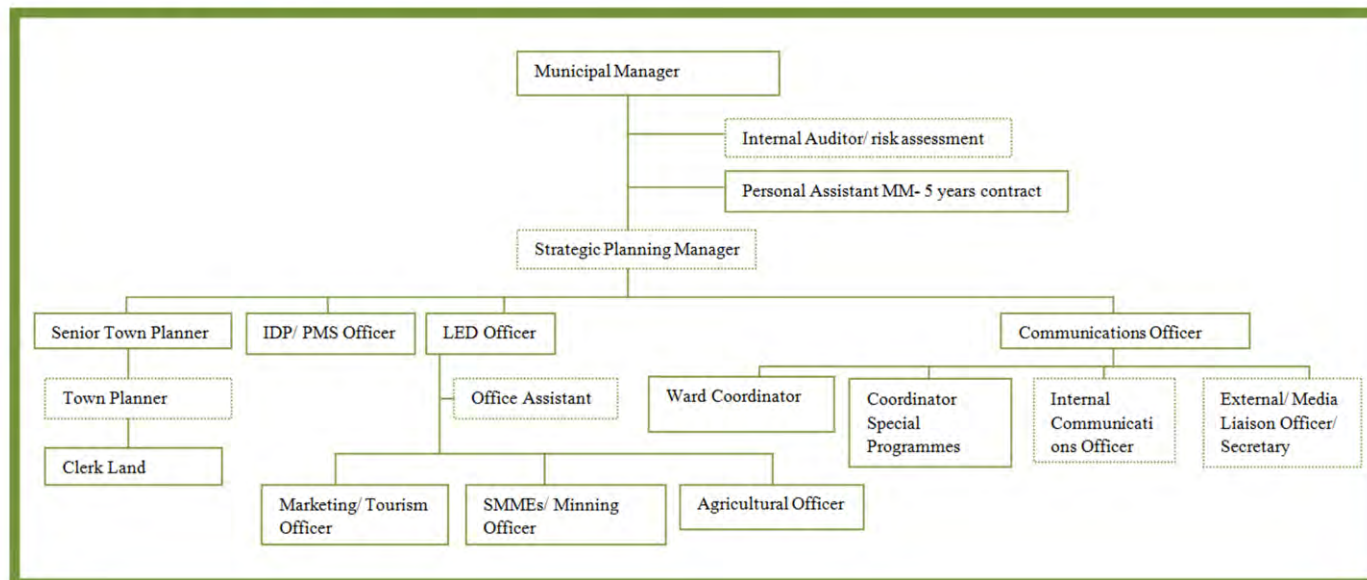


Component I: Governance

Figure / Table 55 Organogram



Office of the Municipal Manager





Actual performance against SDBIP targets set for the 2011/12 Financial Year

IDP Objective	Indicator	Unit of measurement	Base-line	Target : Quarter 1	Actual : Q1	Target : Q2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual : Q4	Comments	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
IDP Objectives: <i>To ensure participation of communities in governance</i> <i>To ensure access to information</i>																
To implement the approved communication strategy and ward policy	Alignment with the State of the Nation and State of the Province Addresses	Alignment with national and provincial priorities	Alignment					Alignment	100% (after speeches of President and Premier)				Alignment done	Communication strategy	Alignment	1
To fund the operations of the Youth Council	Maintain Youth Council	Budget	100%							100%	0	Youth Council not functional, but a Youth Development Officer has been appointed	Budget	100%	Budget	100%
To fund special programmes in line with available budget amount	Enable special programmes	Available budget	100%							100%	100%	Focus on women, the disabled and the elderly			Budget	100%
	No. of functional ward	No. of ward committees	13	13	13	13	13	13	13	13	13		Available	100%	No. of ward committee	13

Ga-Segonyana Local Municipality



IDP Objective	Indicator	Unit of measurement	Base-line	Target : Quarter 1	Actual : Q1	Target : Q2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual : Q4	Comments	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	committees												budget		ees	
	No. of ward community meetings conducted	No. of meetings conducted	9	13	13	13	13	13	13	13	13		9	Achieved	No. of meetings conducted	52
	No. of ward committee members trained	No of members trained	100% of ward committee members							130	130	All ward committee members were trained, and stipend were paid (10 members per ward x 13 wards)	110	Achieved	No of members trained	130
To approve and implement municipal planning systems in line with applicable legislation	Annual review of the IDP	IDP review	1	--		--		--		1	1	Community facilitation in 4 wards	IDP review	1	IDP review	1
	Report regarding institutional performance on a quarterly basis	Quarterly PMS reports	4	1	0	1	1	1	0	1	1		Not set as a target for the financial year	Not set as a target for the financial year	Quarterly PMS reports	4



IDP Objective	Indicator	Unit of measurement	Base-line	Target : Quarter 1	Actual : Q1	Target : Q2	Actual : Q2	Target: Quarter 3	Actual : Q3	Target: Quarter 4	Actual : Q4	Comments	Annual Target 2010/11	Actual Performance 2010/11	Projected Performance Indicator 2012/13	Projected Performance Target 2012/13
	Community participation regarding the IDP and PMS	No of events				13	13			13	13		9 Budget/ IDP community engagements	Achieved	Community participation regarding the IDP and PMS	13

The following targets were set for the 2010/11 Financial Year and are not applicable to the 2011/12 financial year or were completed during the 2010/11 Financial Year

Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Actual	Comments / Remarks
To ensure public participation in IDP, Budget & PMS processes	Community oversight meeting (Annual Report)	No of oversight meetings held						Oversight report compiled and submitted according to legislation	
To ensure support to special programs for targeted groups	Youth Council	No of sports related activities arranged for the youth	New	1	0	1	0	Exceeded target-actual 6 arranged	
		No of information sessions conducted to advice on	New	1	1	1	1	4 achieved	



Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Actual	Comments / Remarks
		business and other matters							
	Disabled	No of sports related activities arranged for the youth	New	1	0	1	0	Achieved	
		No of information sessions conducted to advice on business and other matters	New	1	0	1	1	Achieved	
	Women	No of sports related activities arranged for the youth	New	1	0	1	0	Achieved= 3	
		No of information sessions conducted to advice on business matters	New	1	1	1	1	Achieved	
		No of information sessions conducted to advice on education and training opportunities.	New	1	0	1	0	Achieved	
	Elderly	No of sports related activities arranged for the youth	New	0	1	0	1	Achieved	
		No of information sessions conducted to advice on business matters	new	1	1	1	1	Achieved	
		No of information sessions conducted to advice on education and training opportunities.	New	1	1	1	1	Achieved	
		No of referrals for social grants	New	3	3	3	3	Achieved	
	Children	No of sports related activities arranged for the youth	New	0	1	0	1	Achieved	



Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Actual	Comments / Remarks
		No of information sessions conducted to advice on business matters	New	1	1	1	1	Achieved	
		No of information sessions conducted to advice on education and training opportunities.	New	1	1	1	1	Achieved	
		No of referrals for social grants	New	3	3	3	3	Achieved	
	HIV/AIDS	No of awareness campaigns internally & externally	New	1	1	1	1	Achieved	
		Available database of affected individuals assisted to access available assistance	New	0	0	0	1	Achieved	
		No of condom containers maintained	new	4	4	4	4	Achieved	
To ensure internal and external communication	Internal	Quarterly Internal newsletter	new	1	1	1	1	Not achieved	Insufficient funds available
		No of internal communication programs	new	1	1	1	1	Achieved	
		No of employee satisfaction surveys conducted	new	0	1	0	1	Not achieved	
	External	No of submissions	new	1	1	1	1	Achieved in Q 1,3 and 4	
		No of newspaper articles	new	3	3	3	3	Achieved	



Objective	Indicator	Unit of measurement	Baseline	Target: Quarter 1	Target: Quarter 2	Target: Quarter 3	Target: Quarter 4	Actual	Comments / Remarks
		Branding	new	25% of budget	25% of budget	25% of budget	25% of budget	Achieved	
		Imbizos	new	0	6	0	0	Not achieved	Insufficient budget
		Website maintenance	new	3 updating of info	3 updating of info	3 updating of info	3 updating of info	Achieved	
		No of community satisfaction surveys conducted	new	1	1	1	1	Achieved only in the 3 rd and 4 th quarter	
	Media Monitoring	No of newspaper clips relevant to Local government made available to Mayor and Speaker	new	2	2	2	2	Actual = 2/ quarters 2,3 and 4 and 3 for quarter 2	
		No of media enquiries attended to	new	1	1	1	1	Achieved- attended to 8 in quarter 2	
	Customer Management	No of complaints attended to as per complaints register	new	25%	25%	25%	25%	Achieved Q1=9 Q2=6	
To ensure compliance with EPWP guidelines when implementing projects	Employment creation	Number of temporary job opportunities for women, youth and disabled	Ward 1 to 9 1000 per annum	300	350	350	350	Targets achieved	
	EPWP applications	No of business plans submitted for EPWP projects	To submit 2 per annum	0	0	2	0	Target achieved	

Chapter 4

Organisational Development Performance



Chapter 4 – Organisational Development Performance

Component A: Introduction to the Municipal Personnel

4.1 Employee totals, turnover and vacancies

Table / Figure 56: Total Number of Employees in the Municipality as on 30 June 2012

Employment Category		Race										
		African		Coloured		Indian		White		Total		Total
		M	F	M	F	M	F	M	F	M	F	
SOC 100	Legislators	13	9	1	1	0	0	1	0	15	10	25
SOC 100	Directors and Corporate Members	1	5	0	0	0	0	0	0	1	5	6
SOC 200	Professionals	6	4	6	1	0	0	1	2	13	7	20
SOC 300	Technicians and Trade Workers	2	0	0	0	0	0	0	0	2	0	2
SOC 400	Community and Personal Service Workers	5	3	1	1	0	0	2	0	8	4	12
SOC 500	Clerical and Administrative Workers	9	19	2	5	0	0	0	6	11	30	41
SOC 700	Machine Operators and Drivers	16	0	1	0	0	0	0	0	17	0	17
SOC 800	Labourers	69	16	17	4	0	0	0	1	86	21	107
Apprentices		0	0	0	0	0	0	0	0	0	0	0
Total		121	56	28	12	0	0	4	9	153	77	230

(Source: Workplace Skills Plan: 2012/13)

Table / Figure 57: Global Figures

Total anticipated no of employees on 1 July 2012	230
Total payroll amount (on which levy payment is based) for 2011/12:	R 42,100m
Total anticipated payroll amount (on which levy payment is based) for 2012/13:	R 51,231 m
Casual Workers:	
Contract Workers:	92
Part-time Councillors:	0
Full-time Councillors:	25
Total Councillors:	25

Workforce Profile

Figure / Table 58:

Total number of Employees (including employees with disabilities) in each of the following occupational levels:
(Note: A=Africans, C=Coloureds, I= Indians and W= Whites)

Occupational Levels	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top management	2				3				5
Senior management	2				2				4
Professionally qualified and experienced specialists and mid-management	7				4	1		3	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents									
Semi-skilled and discretionary decision making	35	15			15	27			92
Unskilled and defined decision making	63	19			14	5		1	102
TOTAL PERMANENT									
Temporary employees									
GRAND TOTAL									218

(Source: Employment Equity Report)

Figure / Table 59:

Total number of Employees (including employees with disabilities) that are involved in Support Function in each of the following occupational levels: (Note: A=Africans, C=Coloureds, I= Indians and W= Whites)

Occupational Levels	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top management									
Senior management	1								1
Professionally qualified and experienced specialists and mid-management	1				3				4
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents								1	
Semi-skilled and discretionary decision making					6	1			7
Unskilled and defined decision making					1				1
TOTAL PERMANENT									
Temporary employees	3				6				8
GRAND TOTAL									21

(Source: Employment Equity Report)

Workforce Movement

Recruitment

Figure / Table 60:

Total number of new recruits, including people with disabilities: (Note: A=Africans, C=Coloureds, I= Indians and W= Whites)

Occupational Levels	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top management									
Senior management									
Professionally qualified and experienced specialists and mid-management					2				2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	1			6			1	9
Semi-skilled and discretionary decision making	1								1
Unskilled and defined decision making	8								8
TOTAL PERMANENT									
Temporary employees									1
GRAND TOTAL									21

(Source: Employment Equity Report)

Termination

Figure / Table 61:

Total number of terminations in each occupational level, including people with disabilities. (Note: A=Africans, C=Coloureds, I= Indians and W= Whites)

Occupational Levels	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top management									
Senior management					1				1
Professionally qualified and experienced specialists and mid-management	1				1				2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents		2							2
Semi-skilled and discretionary decision making		8			4				13
Unskilled and defined decision making									
TOTAL PERMANENT									
Temporary employees									
GRAND TOTAL									18

(Source: Employment Equity Report)

Figure / Table 62:

Total number of terminations, including people with disabilities, in each termination category below: (Note: A=Africans, C=Coloureds, I= Indians and W= Whites)

Occupational Levels	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Resignation	4	1			6			1	12
Non-renewal of contract									
Retrenchment- Operating requirements									
Dismissal- misconduct									
Dismissal- incapacity									
Retirement	2								2
Death	2	1			1				4
GRAND TOTAL									18

(Source: Employment Equity Report)

Component B: Managing the Municipal Workforce

The following are key objectives and indicators of the municipality's efforts to manage its workforce:

- Annual review of the organizational structure
- The filling of key vacancies. The following key vacancies were filled during 2011/12:
- Annual review of the HR Strategy

4.2 Policies

Status of policies

Key Policy Developments during 2011/12 Financial Year (Policies revised and new policies developed)

- Recruitment policy(Revise)
- Retention of Skilled Personnel
- Land disposal policy
- Travelling allowance
- Induction policy
- Training and development/Study policy
- Leave Encashment Policy
- Housing Help/Assistance
- Standby, Shift Allowance policy
- Occupation Health and Safety
- Contract workers
- Laptop policy
- Telephone usage policy
- Cellular phone policy
- Catering policy
- Retirement policy

Policies to be developed or reviewed in 2012/13:

- Retention of Skilled personnel
- Councilors Funeral policy
- Probation policy
- Training and development policy
- Recruitment policy
- Employee Funeral policy

Policies that were in place during 2011/12 which are still applicable:

- Establishment and Fuctionality of Ward committees
- Records Management Policy
- Recruitment policy(Revise)
- Retention of Skilled Personnel
- Land disposal policy
- Travelling allowance
- Induction policy
- Training and development/Study policy
- Leave Encashment Policy
- Housing Help/Assistance
- Standby, Shift Allowance policy
- Occupation Health and Safety

4.3 Monitoring and Evaluation

Disciplinary Action

Figure / Table 63: Disciplinary action

Disciplinary Action	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	11	2			3			1			



Component C: Employment Equity Status

Table / Figure 61: Employee profile

Code	Employment category	Race											Age categories														
		African		Coloured		Indian		White		Total		Total	- 20		21-30		31-40		41-50		+ 51		Total		Total		
		M	F	M	F	M	F	M	F	M	F		M	F	M	F	M	F	M	F	M	F					
SOC 100 Legislators																											
	Executive Mayor									0	0	0												0	0	0	
	Mayor	1								1	0	1								1				1	0	1	
	Local Government Legislators (Councillors)									0	0	0												0	0	0	
	Traditional Leaders & Heads of Villages	12	9	1	1			1		14	10	24			2	1	9	3	2	4	1	2		14	10	24	
	Other (specify below)																										
	Ward Committee Members									0	0	0															
										0	0	0												0	0	0	
	SUB-TOTALS	13	9	1	1	0	0	1	0	15	10	25	0	0	2	1	9	3	2	4	2	2		15	10	25	
SOC 100 Directors and Corporate Managers																											
11131	City/Municipal Manager									0	0	0												0	0	0	
11133	General Managers									0	0	0												0	0	0	
1211	Corporate Services Managers		1							0	1	1					1							1	0	1	
1212	Finance Managers		2							0	2	2					2							0	2	2	
1213	Human Resource Managers									0	0	0												0	0	0	
1214	Policy and Planning Managers									0	0	0												0	0	0	
1221	Engineering Managers		1							0	1	1					1							0	1	1	
1222	Construction Managers									0	0	0												0	0	0	
1231	ICT Managers									0	0	0												0	0	0	
1251	Health, Welfare and Education Service Managers									0	0	0												0	0	0	
12922	Commissioned Fire Officer									0	0	0												0	0	0	
12923	Commissioned Police Officer (Metro/Traffic Police)									0	0	0												0	0	0	
12991	Laboratory Managers									0	0	0												0	0	0	
12992	Environment, Parks and Land Care Managers	1	1							1	1	2						1			1		1	1	1	2	
12993	Sports Administrator or Manager									0	0	0												0	0	0	
12994	Arts Administrator or Managers									0	0	0												0	0	0	
1491	Sport and Recreation Managers									0	0	0												0	0	0	
1492	Customer Services Managers									0	0	0												0	0	0	
	Other (specify below)																										
										0	0	0												0	0	0	
	SUB-TOTALS	1	5	0	0	0	0	0	0	1	5	6	0	0	0	0	1	3	1	0	0	1	2	4	6	6	
SOC 200 Professionals																											
Corporate Services	Core Admin	1	1							1	1	2				1	1							1	1	2	
	Core Finance									0	0	0												0	0	0	
	Legal									0	0	0												0	0	0	
	IT									0	0	0												0	0	0	
	Procurement										0	0	0											0	0	0	
HR and Training										0	0	0												0	0	0	
Financial Services	Property Valuation									0	0	0												0	0	0	
	Rates		1						2	0	3	3			1			1		1		0	3	3	3		
	Billing									0	0	0											0	0	0		
	Client Services									0	0	0											0	0	0		
Community Services	Parks									0	0	0												0	0	0	
	Community Facilities									0	0	0												0	0	0	
	Libraries		1		1			1		1	2	3					3						0	3	3		
	Recreation Centres									0	0	0											0	0	0		
	Primary Health Care Facilities	1								1	0	1					1						1	0	1		
Cemeteries										0	0	0											0	0	0		
Environmental Management		1								1	0	1					1						1	0	1		
Pollution Control										0	0	0												0	0	0	
Legal										0	0	0												0	0	0	
Licensing										0	0	0												0	0	0	
Emergency Services										0	0	0												0	0	0	
Disaster Planning and Management										0	0	0												0	0	0	
Community Safety										0	0	0												0	0	0	
Traffic Management										0	0	0												0	0	0	
Public Transport										0	0	0												0	0	0	
Municipal Planning			1	4						4	1	5				1		2		2			4	1	5		
Land use management		1								1	0	1			1								1	0	1		
Housing										0	0	0												0	0	0	
Technical Services	Roads and Stormwater									0	0	0												0	0	0	
	Solid Waste and Landfill									0	0	0												0	0	0	
	Water supply and waste water									0	0	0												0	0	0	
	Electricity	2		2						4	0	4					1		3				4	0	4		
	SUB-TOTALS	6	4	6	1	0	0	1	2	13	7	20	0	0	1	3	2	0	7	4	2	1	12	8	20		



Code	Employment category	Race										Age categories															
		African		Coloured		Indian		White		Total		Total	- 20		21-30		31-40		41-50		+ 51		Total		Total		
		M	F	M	F	M	F	M	F	M	F		M	F	M	F	M	F	M	F	M	F	M	F			
SOC 300 Technicians and Trade Workers																											
Corporate Services	Core Admin									0	0	0												0	0	0	
	Core Finance									0	0	0												0	0	0	
	Legal									0	0	0												0	0	0	
	IT									0	0	0												0	0	0	
	Procurement									0	0	0												0	0	0	
HR and Training										0	0	0												0	0	0	
Financial Services	Property Valuation									0	0	0												0	0	0	
	Rates									0	0	0												0	0	0	
	Billing									0	0	0												0	0	0	
	Client Services									0	0	0												0	0	0	
Community Services	Parks									0	0	0												0	0	0	
	Community Facilities									0	0	0												0	0	0	
	Libraries									0	0	0												0	0	0	
	Recreation Centres									0	0	0												0	0	0	
	Primary Health Care Facilities									0	0	0												0	0	0	
	Cemeteries									0	0	0												0	0	0	
Environmental Management	Environmental Health									0	0	0												0	0	0	
	Pollution Control									0	0	0												0	0	0	
Legal	By-laws									0	0	0												0	0	0	
	Licensing									0	0	0												0	0	0	
Emergency Services	Fire & rescue									0	0	0												0	0	0	
	Disaster Planning and Management									0	0	0												0	0	0	
Community Safety	Public Safety									0	0	0												0	0	0	
	Traffic Management									0	0	0												0	0	0	
Public Transport										0	0	0												0	0	0	
Municipal Planning	LED/IDP/Urban Planning									0	0	0												0	0	0	
	Land use management									0	0	0												0	0	0	
Housing										0	0	0												0	0	0	
Technical Services	Roads and Stormwater									0	0	0												0	0	0	
	Solid Waste and Landfill									0	0	0												0	0	0	
	Water supply and waste water	2								2	0	2								2				2	0	2	
	Electricity									0	0	0								0				0	0	0	
SUB-TOTALS		2	0	0	0	0	0	0	0	2	0	2	0	0	0	0	0	0	0	0	2	0	2	0	2	0	
SOC 400 Community and Personal Service Workers																											
Corporate Services	Core Admin									0	0	0												0	0	0	
	Core Finance									0	0	0												0	0	0	
	Legal									0	0	0												0	0	0	
	IT									0	0	0												0	0	0	
	Procurement									0	0	0												0	0	0	
HR and Training										0	0	0												0	0	0	
Financial Services	Property Valuation									0	0	0												0	0	0	
	Rates									0	0	0												0	0	0	
	Billing									0	0	0												0	0	0	
	Client Services	1								1	0	1					1							1	0	1	
Community Services	Parks	1								1	0	1				1								1	0	1	
	Community Facilities									0	0	0												0	0	0	
	Libraries	1	3			1				1	4	5				1	1			1			1	4	5		
	Recreation Centres									0	0	0												0	0	0	
	Primary Health Care Facilities									0	0	0												0	0	0	
	Cemeteries					1				1	0	1						1						1	0	1	
Environmental Management	Environmental Health									0	0	0												0	0	0	
	Pollution Control									0	0	0												0	0	0	
Legal	By-laws									0	0	0												0	0	0	
	Licensing									0	0	0												0	0	0	
Emergency Services	Fire & rescue									0	0	0												0	0	0	
	Disaster Planning and Management	1								1	0	1							1					1	0	1	
Community Safety	Public Safety								1	1	0	1								1				1	0	1	
	Traffic Management								1	1	0	1								1				1	0	1	
Public Transport										0	0	0												0	0	0	
Municipal Planning	LED/IDP/Urban Planning									0	0	0												0	0	0	
	Land use management									0	0	0												0	0	0	
Housing		1								1	0	1						1						1	0	1	
Technical Services	Roads and Stormwater									0	0	0												0	0	0	
	Solid Waste and Landfill									0	0	0												0	0	0	
	Water supply and waste water									0	0	0												0	0	0	
	Electricity									0	0	0												0	0	0	
SUB-TOTALS		5	3	1	1	0	0	2	0	8	4	12	0	0	2	1	3	1	1	1	2	1	8	4	12	0	



Code	Employment category	Race											Age categories													
		African		Coloured		Indian		White		Total		Total	- 20		21-30		31-40		41-50		+ 51		Total		Total	
		M	F	M	F	M	F	M	F	M	F		M	F	M	F	M	F	M	F	M	F	M	F		
SOC 500 Clerical and Administrative Workers																										
Corporate Services	Core Admin	1	6							1	1	7	8					1	4		2		1	1	7	8
	Core Finance									1	0	1	1									1	0	1	1	
	Legal									0	0	0										0	0	0		
	IT	1								1	0	1			1							1	0	1		
	Procurement									0	0	0										0	0	0		
HR and Training										0	0	0										0	0	0		
Financial Services	Property Valuation									0	0	0										0	0	0		
	Rates		2		1				1	0	4	4					3				1	0	4	4		
	Billing									0	0	0									0	0	0			
	Client Services	6	5	2	3					8	8	16			1	3	2	3	3	1	2	1	8	8	16	
Community Services	Parks									0	0	0										0	0	0		
	Community Facilities		1		1					0	2	2					1		1			0	2	2		
	Libraries									0	0	0										0	0	0		
	Recreation Centres									0	0	0										0	0	0		
	Primary Health Care Facilities									0	0	0										0	0	0		
	Cemeteries									0	0	0										0	0	0		
Environmental Management	Environmental Health									0	0	0									0	0	0			
Legal	Pollution Control									0	0	0										0	0	0		
	By-laws									0	0	0										0	0	0		
	Licensing		3						2	0	5	5			1		2		2			0	5	5		
Emergency Services	Fire & rescue									0	0	0										0	0	0		
	Disaster Planning and Management									0	0	0										0	0	0		
Community Safety	Public Safety									0	0	0										0	0	0		
	Traffic Management									0	0	0										0	0	0		
Public Transport										0	0	0										0	0	0		
Municipal Planning	LED/IDP/Urban Planning									0	0	0										0	0	0		
	Land use management	1	1							1	1	2					1	1				1	1	2		
Housing										0	0	0										0	0	0		
Technical Services	Roads and Stormwater									0	0	0										0	0	0		
	Solid Waste and Landfill									0	0	0										0	0	0		
	Water supply and waste water									0	0	0										0	0	0		
	Electricity		1						1	0	2	2					1		1			0	2	2		
SUB-TOTALS		9	19	2	5	0	0	0	6	11	30	41	0	0	2	4	3	14	4	8	2	4	11	30	41	
SOC 700 Machine Operators and Drivers																										
Corporate Services	Core Admin	1								1	0	1								1		1	0	1		
	Core Finance									0	0	0										0	0	0		
	Legal									0	0	0										0	0	0		
	IT									0	0	0										0	0	0		
	Procurement									0	0	0										0	0	0		
HR and Training										0	0	0										0	0	0		
Financial Services	Property Valuation									0	0	0										0	0	0		
	Rates									0	0	0										0	0	0		
	Billing									0	0	0										0	0	0		
	Client Services									0	0	0										0	0	0		
Community Services	Parks	2		1						3	0	3					1		1		1	3	0	3		
	Community Facilities									0	0	0										0	0	0		
	Libraries									0	0	0										0	0	0		
	Recreation Centres									0	0	0										0	0	0		
	Primary Health Care Facilities									0	0	0										0	0	0		
	Cemeteries									0	0	0										0	0	0		
Environmental Management	Environmental Health	6								6	0	6					4		2			6	0	6		
	Pollution Control									0	0	0										0	0	0		
Legal	By-laws									0	0	0										0	0	0		
	Licensing									0	0	0										0	0	0		
Emergency Services	Fire & rescue									0	0	0										0	0	0		
	Disaster Planning and Management									0	0	0										0	0	0		
Community Safety	Public Safety									0	0	0										0	0	0		
	Traffic Management									0	0	0										0	0	0		
Public Transport										0	0	0										0	0	0		
Municipal Planning	LED/IDP/Urban Planning									0	0	0										0	0	0		
	Land use management									0	0	0										0	0	0		
Housing										0	0	0										0	0	0		
Technical Services	Roads and Stormwater	6								6	0	6					1		1		4	6	0	6		
	Solid Waste and Landfill									0	0	0										0	0	0		
	Water supply and waste water									0	0	0										0	0	0		
	Electricity	1								1	0	1					1					1	0	1		
SUB-TOTALS		16	0	1	0	0	0	0	0	17	0	17	0	0	0	0	3	0	6	0	8	0	17	0	17	



Code	Employment category	Race										Age categories														
		African		Coloured		Indian		White		Total		Total	- 20		21-30		31-40		41-50		+ 51		Total		Total	
		M	F	M	F	M	F	M	F	M	F		M	F	M	F	M	F	M	F	M	F	M	F		
SOC 800 Labourers																										
Corporate Services	Core Admin									0	0	0											0	0	0	
	Core Finance									0	0	0											0	0	0	
	Legal									0	0	0											0	0	0	
	IT									0	0	0											0	0	0	
	Procurement									0	0	0												0	0	0
HR and Training										0	0	0												0	0	0
Financial Services	Property Valuation									0	0	0												0	0	0
	Rates									0	0	0												0	0	0
	Billing									0	0	0												0	0	0
	Client Services									0	0	0													0	0
Community Services	Parks	9	1	6						15	1	16		1		4		3		7	1	15	1	16		
	Community Facilities									0	0	0											0	0	0	
	Libraries									0	0	0											0	0	0	
	Recreation Centres	1	2		3			1		1	6	7						6	1			1	6	7		
	Primary Health Care Facilities									0	0	0											0	0	0	
	Cemeteries	5								5	0	5						1		4		5	0	5		
Environmental Management	Environmental Health	23	10	6	1					29	11	40		4		3		16	6	6	5	29	11	40		
	Pollution Control									0	0	0											0	0	0	
Legal	By-laws									0	0	0											0	0	0	
	Licensing									0	0	0											0	0	0	
Emergency Services	Fire & rescue									0	0	0											0	0	0	
	Disaster Planning and Management									0	0	0											0	0	0	
Community Safety	Public Safety	3								3	0	3						3				3	0	3		
	Traffic Management									0	0	0											0	0	0	
Public Transport										0	0	0											0	0	0	
Municipal Planning	LED/IDP/Urban Planning									0	0	0											0	0	0	
	Land use management	1	3	1						2	3	5						2	2		1	2	3	5		
Housing										0	0	0											0	0	0	
Technical Services	Roads and Stormwater	12		1						13	0	13				4		4		5		13	0	13		
	Solid Waste and Landfill									0	0	0										0	0	0		
	Water supply and waste water	11		2						13	0	13				2		1		10		13	0	13		
	Electricity	4		1						5	0	5				2		3				5	0	5		
SUB-TOTALS		69	16	17	4	0	0	0	1	86	21	107	0	0	5	0	15	0	33	14	33	7	86	21	107	
Apprentices																										
Technical Services	Roads and Stormwater									0	0	0											0	0	0	
	Solid Waste and Landfill									0	0	0											0	0	0	
	Water supply and waste water									0	0	0											0	0	0	
	Electricity									0	0	0											0	0	0	
SUB-TOTALS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTALS		121	56	28	12	0	0	4	9	153	77	230	0	0	12	9	36	21	54	31	51	16	153	77	230	

Figure / Table 64:

Summary Employment Data

Total number of black (African, Coloured, Indian) employees	217
Black employees as a % of total employees	94.35%
Total number of women employees	77
Women employees as a % of total employees	33.48%
Total employees with Disabilities	0
Employees with disabilities as a % of total employees	0.00%
Total employees over 51	67
Over 51 employees as a % of total employees	29.13%
Total employees between 31 & 50	142
Employees between 31 & 50 as a % of total employees	61.74%
Total employees under 30	21
Employees under 30 as a % of total employees	9.13%



Table / Figure 65: Employee qualification profile

Employment category		Highest level qualifications held by employees																							Total
		Below NQF 1		NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unknown		Total			
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F		
SOC 100 Legislators																									
	Executive Mayor																						0	0	0
	Mayor									1													1	0	1
	Local Government Legislators (Councillors)					1	1		2	5	2	8	5										14	10	24
	Traditional Leaders & Heads of Villages																						0	0	0
	Other (specify below)																								
	Ward Committee Members																						0	0	0
SUB-TOTALS		0	0	0	0	1	1	0	2	6	2	8	5	0	0	0	0	0	0	0	0	0	15	10	25
SOC 100 Directors and Corporate Managers																									
11131	City/Municipal Manager																						0	0	0
11133	General Managers																						0	0	0
1211	Corporate Services Managers													1									1	0	1
1212	Finance Managers														1		1						0	2	2
1213	Human Resource Managers																						0	0	0
1214	Policy and Planning Managers																						0	0	0
1221	Engineering Managers												1										0	1	1
1222	Construction Managers																						0	0	0
1231	ICT Managers																						0	0	0
1251	Health, Welfare and Education Service Managers																						0	0	0
12922	Commissioned Fire Officer																						0	0	0
12923	Commissioned Police Officer (Metro/Traffic Police)																						0	0	0
12991	Laboratory Managers																						0	0	0
12992	Environment, Parks and Land Care Managers													1	1								1	1	2
12993	Sports Administrator or Manager																						0	0	0
12994	Arts Administrator or Managers																						0	0	0
1491	Sport and Recreation Managers																						0	0	0
1492	Customer Services Managers																						0	0	0
	Other (specify below)																								
SUB-TOTALS		0	0	0	0	0	0	0	0	0	0	0	1	2	2	0	1	0	0	0	0	0	2	4	6
SOC 200 Professionals																									
Corporate Services	Core Admin													1	1								1	1	2
	Core Finance																						0	0	0
	Legal																						0	0	0
	IT																						0	0	0
	Procurement																							0	0
HR and Training																							0	0	0
Financial Services	Property Valuation																						0	0	0
	Rates															3							0	3	3
	Billing																						0	0	0
	Client Services																						0	0	0
Community Services	Parks																						0	0	0
	Community Facilities																						0	0	0
	Libraries										3												0	3	3
	Recreation Centres																						0	0	0
	Primary Health Care Facilities											1											1	0	1
Environmental Management	Cemeteries																						0	0	0
	Environmental Health											1					1						1	0	1
Legal	Pollution Control																						0	0	0
	By-laws																						0	0	0
Emergency Services	Licensing																						0	0	0
	Fire & rescue																						0	0	0
Community Safety	Disaster Planning and Management																						0	0	0
	Public Safety																						0	0	0
Public Transport	Traffic Management																						0	0	0
																							0	0	0
Municipal Planning	LED/IDP/Urban Planning									4						1							4	1	5
	Land use management											1											1	0	1
Housing																							0	0	0
Technical Services	Roads and Stormwater																						0	0	0
	Solid Waste and Landfill																						0	0	0
	Water supply and waste water																						0	0	0
	Electricity											4											4	0	4
SUB-TOTALS		0	0	0	0	0	0	0	0	4	3	7	0	1	5	0	0	0	0	0	0	0	12	8	20



Employment category		Highest level qualifications held by employees																			Total		Total		
		Below NQF 1		NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unknown					
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M				F	
SOC 300 Technicians and Trade Workers																									
Corporate Services	Core Admin																						0	0	0
	Core Finance																						0	0	0
	Legal																						0	0	0
	IT																						0	0	0
	Procurement																						0	0	0
HR and Training																							0	0	0
Financial Services	Property Valuation																						0	0	0
	Rates																						0	0	0
	Billing																						0	0	0
	Client Services																						0	0	0
Community Services	Parks																						0	0	0
	Community Facilities																						0	0	0
	Libraries																						0	0	0
	Recreation Centres																						0	0	0
	Primary Health Care Facilities																						0	0	0
Environmental Management	Cemeteries																						0	0	0
	Environmental Health																						0	0	0
Legal	Pollution Control																						0	0	0
	By-laws																						0	0	0
Emergency Services	Licensing																						0	0	0
	Fire & rescue																						0	0	0
Community Safety	Disaster Planning and Management																						0	0	0
	Public Safety																						0	0	0
Public Transport	Traffic Management																						0	0	0
																							0	0	0
Municipal Planning	LED/IDP/Urban Planning																						0	0	0
Housing	Land use management																						0	0	0
																							0	0	0
Technical Services	Roads and Stormwater																						0	0	0
	Solid Waste and Landfill																						0	0	0
	Water supply and waste water									2													2	0	2
	Electricity																						0	0	0
SUB-TOTALS		0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	2	0	2
SOC 400 Community and Personal Service Workers																									
Corporate Services	Core Admin																						0	0	0
	Core Finance																						0	0	0
	Legal																						0	0	0
	IT																						0	0	0
	Procurement																						0	0	0
HR and Training																							0	0	0
Financial Services	Property Valuation																						0	0	0
	Rates																						0	0	0
	Billing																						0	0	0
	Client Services											1											1	0	1
Community Services	Parks											1											1	0	1
	Community Facilities																						0	0	0
	Libraries							3		2													0	5	5
	Recreation Centres																						0	0	0
	Primary Health Care Facilities																						0	0	0
Environmental Management	Cemeteries					1																	1	0	1
	Environmental Health																						0	0	0
Legal	Pollution Control																						0	0	0
	By-laws																						0	0	0
Emergency Services	Licensing																						0	0	0
	Fire & rescue																						0	0	0
Community Safety	Disaster Planning and Management											1											0	1	1
	Public Safety									1													1	0	1
Public Transport	Traffic Management											1											1	0	1
																							0	0	0
Municipal Planning	LED/IDP/Urban Planning																						0	0	0
Housing	Land use management																						0	0	0
																							0	0	0
Technical Services	Roads and Stormwater									1													1	0	1
	Solid Waste and Landfill																						0	0	0
	Water supply and waste water																						0	0	0
	Electricity																						0	0	0
SUB-TOTALS		0	0	0	0	1	0	0	3	2	2	3	1	0	0	0	0	0	0	0	0	0	6	6	12



Employment category		Highest level qualifications held by employees																								Total		Total
		Below NQF 1		NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unknown		Total						
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
SOC 500 Clerical and Administrative Workers																												
Corporate Services	Core Admin										2	1	5											1	7	8		
	Core Finance										1													0	1	1		
	Legal																							0	0	0		
	IT											1												1	0	1		
	Procurement																								0	0	0	
HR and Training																									0	0	0	
Financial Services	Property Valuation																								0	0	0	
	Rates													4											0	4	4	
	Billing																								0	0	0	
	Client Services					1	1	3	1	3	2		5												7	9	16	
Community Services	Parks																								0	0	0	
	Community Facilities								2																0	2	2	
	Libraries																								0	0	0	
	Recreation Centres																								0	0	0	
	Primary Health Care Facilities																								0	0	0	
	Cemeteries																								0	0	0	
Environmental Management	Environmental Health																								0	0	0	
	Pollution Control																								0	0	0	
Legal	By-laws																									0	0	0
	Licensing												5													0	5	5
Emergency Services	Fire & rescue																									0	0	0
	Disaster Planning and Management																									0	0	0
Community Safety	Public Safety																									0	0	0
	Traffic Management																									0	0	0
Public Transport																										0	0	0
Municipal Planning	LED/IDP/Urban Planning																									0	0	0
	Land use management										1	1														1	1	2
Housing																										0	0	0
Technical Services	Roads and Stormwater																									0	0	0
	Solid Waste and Landfill																									0	0	0
	Water supply and waste water																									0	0	0
	Electricity												2													0	2	2
SUB-TOTALS		0	0	0	0	1	1	3	3	3	6	3	21	0	0	0	0	0	0	0	0	0	0	10	31	41		
SOC 700 Machine Operators and Drivers																												
Corporate Services	Core Admin					1																			1	0	1	
	Core Finance																								0	0	0	
	Legal																								0	0	0	
	IT																								0	0	0	
	Procurement																								0	0	0	
HR and Training																										0	0	0
Financial Services	Property Valuation																									0	0	0
	Rates																									0	0	0
	Billing																									0	0	0
	Client Services																									0	0	0
Community Services	Parks					3																			3	0	3	
	Community Facilities																									0	0	0
	Libraries																									0	0	0
	Recreation Centres																									0	0	0
	Primary Health Care Facilities																									0	0	0
	Cemeteries																									0	0	0
Environmental Management	Environmental Health					3		3																	6	0	6	
	Pollution Control																									0	0	0
Legal	By-laws																									0	0	0
	Licensing																									0	0	0
Emergency Services	Fire & rescue																									0	0	0
	Disaster Planning and Management																									0	0	0
Community Safety	Public Safety																									0	0	0
	Traffic Management																									0	0	0
Public Transport																										0	0	0
Municipal Planning	LED/IDP/Urban Planning																									0	0	0
	Land use management																									0	0	0
Housing																										0	0	0
Technical Services	Roads and Stormwater					3		3																		6	0	6
	Solid Waste and Landfill																									0	0	0
	Water supply and waste water																									0	0	0
	Electricity					1																				1	0	1
SUB-TOTALS		0	0	0	0	11	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17	0	17		

[illegible]

Figure / Table 66:

Summary Employee Qualification Profile Data

Total number of employees with an NQF Level 1 and below	9
Employees with an NQF Level 1 and below as a % of total employees	3.91%
Total number of employees with an NQF Level 2,3 and 4	161
Employees with an NQF Level 2,3 and 4 as a % of total employees	70.00%
Total number of employees with an NQF Level 5 and above	60
Employees with an NQF Level 5 and above as a % of total employees	26.09%
Total employees in SOC 100 and 200 with an NQF Level 6 and above	11
Employees in SOC 100 and 200 with an NQF Level 6 and above as a % of total employees in those categories	21.57%
Total employees in SOC 300 with an NQF Level 5 and above	0
Employees in SOC 300 with an NQF Level 5 and above as a % of total employees in those categories	0.00%

Component D: Capacitating the Municipal Workforce

Table / Figure 70: Proposed Training for Municipal Employees during 2012/13

No	Course Name or Qualification Title	Name of Provider	Skills Area	NQF Level	Informal/ Formal	In-house: External	Includes SAQA reg. unit standards	Duration	Number of employees trained	Actual Cost
1	National Certificate in Leadership Development	LGSETA	Specialist Skills require by legislation						25	
2	Further Education and Training Certificate in Road Traffic Management	LGSETA	Training skills						7	
3	GIS	LGSETA	Project management skills						3	
4	Fire fighter	LGSETA	Training Skills						5	
										R300 000

Figure / Table 71: Planning: Learnerships, skills programmes and apprenticeships planned for the Financial Year 2012/2013

Title	Type	Number of 18.2 learners	Number of Emp. Learner	ETQA this is registered with
National Certificate in Leadership Development	Leadership		25	
Further Education and Training Certificate: Road Traffic Management	Leadership	7		
GIS	Leadership	1	2	
Fire Fighter				
Meter Reading		1	4	
Project Management				

Figure / Table 72: Summary Learnership, Skill Programme and Apprenticeship Data

Total Number of 18.2 Learners	9
Total Number of Employed Learners	31
18.2 Learners as a % of Employed Learners	29.03%

Table / Figure 73: Training for Municipal Employees during 2011/12

No	Course Name or Qualification Title	Name of Provider	Skills Area	NQF Level	Informal/ Formal	In-house: External	Includes SAQA reg. unit standards	Duration	Number of employees trained	Actual Cost
1	Essential Labour Law for Managers	Lexis Nexis	Policy Development	6	Formal	External	Yes	2 Days	3	R 1158.93
2	Advanced transport Fuel Maintenance and fleet	Puzzle Peace Training Solutions	Training Skills	6	Formal	External		3 Days	2	R18611.80
3	Conciliation and Arbitration Skills	Lexis Nexis	Specialist Skills required by legislation	6	Formal	External	Yes	3 Weeks	2	R13 65.80
4	Plumbing	MTI	Training Skills		Formal				1	
5	Skills Development Facilitator and Training Com	MTI	Training Skills	4	Formal			3 Days	9	
6	Ward Committee Training	COGHSTA	Training Skills		Formal	In-house		1 Year	130	
7	LED Skills training	DBSA and Department Economic Development	Social/ community/ economic development and planning	4	Formal	External			1	
8	Registry Training Course	Department of Sports, Arts and Culture	Training Skills	4	Formal	External		1 Year	3	
9	Brick Laying Course	Moremogolo FET College	Training Skills	3	Formal	External		1 Year	1	
10	Carpentry Course	Moremogolo FET College	Training Skills	3	Informal	External		1 Year	1	
11	Plumbing Course	Moremogolo FET College	Training Skills	3	Formal	External		1 Year	3	
12	Electrical Course	Moremogolo FET College	Training Skills	3	Formal	External		1 Year	1	
13	Motor Mechanic Course	Moremogolo FET College	Training Skills	4	Formal	External		1 Year	1	
14	Welding Course	Moremogolo FET College	Training Skills	4	Formal	External		1 Year	1	R39 80000

Table / Figure 74: Summary of Actual Programmes

Total number trained			
Total Actual Cost of Training			
Total Interventions			
Skills priority No	Name of intervention		Number of interventions planned
1	ABET		4
2	Administration		2
1	Client Services		2
4	Computer Literacy		2
2	Corporate, legal and support		2
1	Financial		8
5	Life Skills		4
2	Management/ leadership		4
3	Occupational Health and Safety		2
3	Policy development		2
2	Project management/ Planning		2
1	Social/ community/ economic development and planning		8
2	Specialist technical		3
3	Training Skills		2
2	Specialist skills required by legislation		11
	Total interventions not linked to Sector Skills Priorities		

Table / Figure 75: Total Number of Employees in the Municipality to Receive Abet Training in 2011/12

Employment Category		Race										Total
		African		Coloured		Indian		White		Total		
		M	F	M	F	M	F	M	F	M	F	
SOC 100	Legislators											
SOC 100	Directors and Corporate Members											
SOC 200	Professionals											
SOC 300	Technicians and Trade Workers											
SOC 400	Community and Personal Service Workers											
SOC 500	Clerical and Administrative Workers											
SOC 700	Machine Operators and Drivers											
SOC 800	Labourers	11	11							11	11	22
Apprentices												
Total		11	11							11	11	22

Component E: Managing the Workforce Expenditure

Disclosure of Staff Remuneration

Figure / Table 76: Disclosure of staff remuneration

Summary of Employee and Councillor remuneration	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	2,853	2,206	3,682	4,333	225	4,558	3,435	3,676	3,952
Pension and UIF Contributions	480	541	528	781	(22)	759	630	674	725
Medical Aid Contributions	89	140	205	267	(10)	257	432	462	497
Motor Vehicle Allowance	990	963	851			–	1,400	1,498	1,610
Cellphone Allowance	187			314		314	308	329	354
Housing Allowances	93			55	(30)	25			
Other benefits and allowances	113			547	250	797			
Sub Total - Councillors	4,804	3,850	5,267	6,298	413	6,710	6,205	6,639	7,137
% increase		(19.9%)	36.8%	19.6%	(93.5%)	1,526.7%	(7.5%)	7.0%	7.5%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	2,285	2,546	2,834	3,004	(497)	2,508	3,211	3,436	3,694
Pension and UIF Contributions	145	293	315	239		239	240	256	276
Medical Aid Contributions	64	68	68	71	(50)	21	71	76	82
Motor Vehicle Allowance		430	370			–	406	434	467
Cellphone Allowance						–	43	46	50
Housing Allowances		14				–			
Other benefits and allowances	305			561	112	673	70	75	80
Payments in lieu of leave	199			68		68			
Sub Total - Senior Managers of Municipality	2,998	3,352	3,586	3,943	(435)	3,508	4,041	4,323	4,648
% increase		11.8%	7.0%	9.9%	(111.0%)	(906.9%)	15.2%	7.0%	7.5%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	16,487	18,379	20,679	29,425	(5,185)	24,240	28,294	30,275	32,545



Summary of Employee and Councillor remuneration	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Pension and UIF Contributions	4,979	5,016	3,676	4,980	(401)	4,579	6,161	6,593	7,087
Medical Aid Contributions	1,602	1,678	1,658	2,826	(699)	2,127	3,289	3,520	3,784
Overtime	948	1,144	1,172	563	(2)	561	1,298	1,388	1,493
Performance Bonus		8	8	8		8	7	8	8
Motor Vehicle Allowance	1,899	1,975	2,080			—	565	604	650
Cellphone Allowance	169	212	205		39	39	57	61	66
Housing Allowances		1,627	1,599	975	(249)	726	1,705	1,824	1,961
Other benefits and allowances				6,024	(462)	5,562	4,573	4,893	5,260
Payments in lieu of leave		1,714	1,778	658		658	1,241	1,328	1,428
Long service awards		108	146	82	10	92		—	—
Sub Total - Other Municipal Staff	26,084	31,861	33,000	45,541	(6,949)	38,592	47,190	50,494	54,281
% increase		22.1%	3.6%	38.0%	(115.3%)	(655.4%)	22.3%	7.0%	7.5%
Total Parent Municipality	33,885	39,063	41,853	55,782	(6,971)	48,811	57,436	61,456	66,066
		15.3%	7.1%	33.3%	(112.5%)	(800.2%)	17.7%	7.0%	7.5%
TOTAL SALARY, ALLOWANCES & BENEFITS	33,885	39,063	41,853	55,782	(6,971)	48,811	57,436	61,456	66,066
% increase		15.3%	7.1%	33.3%	(112.5%)	(800.2%)	17.7%	7.0%	7.5%
TOTAL MANAGERS AND STAFF	29,081	35,212	36,587	49,484	(7,384)	42,100	51,231	54,817	58,928



Chapter 5

Financial Performance





Statement of Financial Position

5.1 Statements of Financial Position

Figure / Table 77: Budgeted Financial Performance: Revenue and expenditure by standard classification

Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard									
<i>Governance and administration</i>	28,616	20,831	26,032	32,508	1,223	33,731	34,064	35,645	38,362
Executive and council	4,033	5,342	6,443	8,595	–	8,595	9,631	9,904	10,708
Budget and treasury office	24,254	15,158	19,121	23,613	1,152	24,765	24,057	25,339	27,224
Corporate services	329	332	469	299	72	371	375	402	430
<i>Community and public safety</i>	5,571	3,252	3,448	8,099	1,279	9,378	8,875	9,094	9,842
Community and social services	420	416	(297)	771	5	776	1,071	1,145	1,226
Sport and recreation	947	1,139	1,459	1,497	40	1,537	766	820	877
Public safety	4,180	1,669	2,259	5,801	1,233	7,034	7,006	7,095	7,703
Housing	–	–	–	–	–	–	–	–	–
Health	25	28	28	31	–	31	31	33	36
<i>Economic and environmental services</i>	2,097	3,010	41,604	4,699	294	4,994	11,439	16,333	20,867
Planning and development	509	1,297	39,549	2,420	249	2,669	6,666	9,696	16,719
Road transport	1,588	1,714	2,055	2,279	45	2,324	4,773	6,637	4,148
Environmental protection	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	73,539	113,593	127,795	133,081	7,439	140,520	196,971	203,826	214,550
Electricity	38,320	56,125	67,185	77,540	4,664	82,203	94,985	92,774	98,911
Water	18,962	29,819	35,249	26,909	1,272	28,181	71,277	78,996	72,666
Waste water management	10,564	18,180	14,162	16,449	1,003	17,452	13,025	13,535	23,044
Waste management	5,692	9,469	11,199	12,183	500	12,683	17,684	18,521	19,929
<i>Other</i>	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	109,822	140,687	198,879	178,387	10,235	188,622	251,349	264,898	283,621



Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Expenditure - Standard									
Governance and administration	23,229	32,224	36,996	39,910	4,819	44,729	38,661	41,367	44,263
Executive and council	8,331	12,211	11,998	14,273	1,521	15,793	14,448	15,459	16,541
Budget and treasury office	7,902	10,914	16,566	16,494	2,411	18,905	15,184	16,246	17,384
Corporate services	6,997	9,100	8,433	9,144	887	10,030	9,029	9,661	10,338
Community and public safety	15,401	18,328	17,605	24,230	408	24,638	23,930	25,605	27,398
Community and social services	4,047	5,131	4,867	6,546	(14)	6,532	5,942	6,357	6,803
Sport and recreation	5,770	7,914	6,755	7,273	506	7,779	7,268	7,777	8,321
Public safety	4,926	4,631	5,036	9,147	35	9,182	9,433	10,094	10,800
Housing	—	—	—	—	—	—	—	—	—
Health	658	653	948	1,264	(119)	1,145	1,287	1,378	1,474
Economic and environmental services	16,177	27,164	53,320	23,402	1,203	24,604	19,873	21,264	22,753
Planning and development	5,095	10,422	35,583	8,009	1,770	9,780	9,023	9,655	10,331
Road transport	11,082	16,742	17,737	15,393	(568)	14,825	10,850	11,609	12,422
Environmental protection	—	—	—	—	—	—	—	—	—
Trading services	62,069	82,744	99,194	88,739	4,906	93,645	109,055	116,689	124,857
Electricity	31,192	39,924	52,071	57,319	739	58,057	66,491	71,145	76,125
Water	17,775	21,856	30,394	13,739	1,652	15,391	25,905	27,718	29,659
Waste water management	5,761	10,537	7,931	8,043	2,225	10,268	5,532	5,919	6,333
Waste management	7,340	10,426	8,797	9,638	290	9,929	11,128	11,907	12,741
Other	—	—	—	—	—	—	—	—	—
Total Expenditure - Standard	116,876	160,461	207,115	176,281	11,336	187,616	191,519	204,925	219,270
Surplus/(Deficit) for the year	(7,053)	(19,774)	(8,236)	2,106	(1,100)	1,006	59,830	59,973	64,351

(Source: Monthly Budget Report, 2011/12 [June 2012])



Figure / Table 78: Budgeted Financial Performance: Revenue and expenditure by municipal function

Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue – Standard									
Municipal governance and administration	28,616	20,831	26,032	32,508	1,223	33,731	34,064	35,645	38,362
Executive and council	4,033	5,342	6,443	8,595	–	8,595	9,631	9,904	10,708
Mayor and Council	3,298	4,492	5,818	7,771	–	7,771	8,792	9,006	9,747
Municipal Manager	735	850	625	824	–	824	839	898	961
Budget and treasury office	24,254	15,158	19,121	23,613	1,152	24,765	24,057	25,339	27,224
Corporate services	329	332	469	299	72	371	375	402	430
Human Resources	160	187	199	117	62	179	195	209	223
Other Admin	169	145	269	175	10	184	172	184	197
Community and public safety	5,571	3,252	3,448	8,099	1,279	9,378	8,875	9,094	9,842
Community and social services	420	416	(297)	771	5	776	1,071	1,145	1,226
Libraries and Archives	391	399	403	692	4	697	986	1,055	1,129
Cemeteries & Crematoriums	17	17	23	26	–	26	24	26	27
Other Community	12	–	(723)	52	1	53	61	65	69
Sport and recreation	947	1,139	1,459	1,497	40	1,537	766	820	877
Public safety	4,180	1,669	2,259	5,801	1,233	7,034	7,006	7,095	7,703
Fire	–	–	2	2	–	2	2	2	3
Other	4,180	1,669	2,257	5,799	1,233	7,032	7,004	7,093	7,701
Housing									
Health	25	28	28	31	–	31	31	33	36
Other	25	28	28	31	–	31	31	33	36
Economic and environmental services	2,097	3,010	41,604	4,699	294	4,994	11,439	16,333	20,867
Planning and development	509	1,297	39,549	2,420	249	2,669	6,666	9,696	16,719
Economic Development/Planning	209	1,036	38,606	1,728	69	1,797	2,795	3,092	13,047
Town Planning/Building enforcement	299	261	943	692	181	872	3,871	6,604	3,672
Road transport	1,588	1,714	2,055	2,279	45	2,324	4,773	6,637	4,148
Roads	2	17	109	133	–	133	4,757	6,619	4,129
Vehicle Licensing and Testing	1,577	1,688	1,936	2,139	36	2,175			
Other	9	9	9	7	9	16	16	18	19
Trading services	73,539	113,593	127,795	133,081	7,439	140,520	196,971	203,826	214,550



Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Electricity	38,320	56,125	67,185	77,540	4,664	82,203	94,985	92,774	98,911
<i>Electricity Distribution</i>	38,320	56,125	67,185	77,540	4,664	82,203	94,985	92,774	98,911
Water	18,962	29,819	35,249	26,909	1,272	28,181	71,277	78,996	72,666
<i>Water Distribution</i>	18,962	29,819	35,249	26,909	1,272	28,181	71,277	78,996	72,666
Waste water management	10,564	18,180	14,162	16,449	1,003	17,452	13,025	13,535	23,044
<i>Sewerage</i>	8,469	10,397	10,959	12,837	503	13,339	13,025	13,535	23,044
<i>Public Toilets</i>	2,096	7,783	3,203	3,613	500	4,113			
Waste management	5,692	9,469	11,199	12,183	500	12,683	17,684	18,521	19,929
<i>Solid Waste</i>	5,692	9,469	11,199	12,183	500	12,683	17,684	18,521	19,929
Total Revenue - Standard	109,822	140,687	198,879	178,387	10,235	188,622	251,349	264,898	283,621
Expenditure – Standard									
Municipal governance and administration	23,229	32,224	36,996	39,910	4,819	44,729	38,661	41,367	44,263
Executive and council	8,331	12,211	11,998	14,273	1,521	15,793	14,448	15,459	16,541
<i>Mayor and Council</i>	7,163	10,495	10,083	12,164	1,645	13,809	12,171	13,023	13,935
<i>Municipal Manager</i>	1,168	1,716	1,915	2,109	(124)	1,985	2,277	2,436	2,606
Budget and treasury office	7,902	10,914	16,566	16,494	2,411	18,905	15,184	16,246	17,384
Corporate services	6,997	9,100	8,433	9,144	887	10,030	9,029	9,661	10,338
<i>Human Resources</i>	3,391	4,211	4,658	5,192	87	5,278	5,079	5,435	5,815
<i>Information Technology</i>	–	–	–	276	(102)	174	592	633	677
<i>Other Admin</i>	3,605	4,889	3,775	3,676	902	4,578	3,358	3,594	3,845
Community and public safety	15,401	18,328	17,605	24,230	408	24,638	23,930	25,605	27,398
Community and social services	4,047	5,131	4,867	6,546	(14)	6,532	5,942	6,357	6,803
<i>Libraries and Archives</i>	1,904	2,716	2,530	3,040	101	3,140	3,129	3,348	3,583
<i>Cemeteries & Crematoriums</i>	532	624	424	477	2	479	882	943	1,009
<i>Other Community</i>	1,611	1,791	1,913	3,029	(116)	2,912	1,931	2,066	2,210
Sport and recreation	5,770	7,914	6,755	7,273	506	7,779	7,268	7,777	8,321
Public safety	4,926	4,631	5,036	9,147	35	9,182	9,433	10,094	10,800
<i>Fire</i>	453	597	554	628	(1)	627	752	804	861
<i>Other</i>	4,474	4,034	4,482	8,519	36	8,556	8,682	9,289	9,940
Health	658	653	948	1,264	(119)	1,145	1,287	1,378	1,474
<i>Other</i>	658	653	948	1,264	(119)	1,145	1,287	1,378	1,474
Economic and environmental services	16,177	27,164	53,320	23,402	1,203	24,604	19,873	21,264	22,753
Planning and development	5,095	10,422	35,583	8,009	1,770	9,780	9,023	9,655	10,331



Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<i>Economic Development/Planning</i>	2,493	7,554	33,615	5,451	1,740	7,191	5,213	5,578	5,969
<i>Town Planning/Building enforcement</i>	2,602	2,868	1,968	2,558	30	2,588	3,810	4,077	4,362
<i>Licensing & Regulation</i>									
Road transport	11,082	16,742	17,737	15,393	(568)	14,825	10,850	11,609	12,422
<i>Roads</i>	7,732	12,640	15,124	11,383	(315)	11,068	9,056	9,690	10,368
<i>Vehicle Licensing and Testing</i>	2,466	2,653	1,400	2,095	(135)	1,960			
<i>Other</i>	883	1,449	1,213	1,915	(118)	1,797	1,794	1,919	2,054
Trading services	62,069	82,744	99,194	88,739	4,906	93,645	109,055	116,689	124,857
Electricity	31,192	39,924	52,071	57,319	739	58,057	66,491	71,145	76,125
<i>Electricity Distribution</i>	31,192	39,924	52,071	57,319	739	58,057	66,491	71,145	76,125
Water	17,775	21,856	30,394	13,739	1,652	15,391	25,905	27,718	29,659
<i>Water Distribution</i>	17,775	21,856	30,394	13,739	1,652	15,391	25,905	27,718	29,659
<i>Water Storage</i>									
Waste water management	5,761	10,537	7,931	8,043	2,225	10,268	5,532	5,919	6,333
<i>Sewerage</i>	4,618	9,106	4,324	6,585	1,932	8,516	5,532	5,919	6,333
<i>Public Toilets</i>	1,142	1,431	3,607	1,458	293	1,752			
Waste management	7,340	10,426	8,797	9,638	290	9,929	11,128	11,907	12,741
<i>Solid Waste</i>	7,340	10,426	8,797	9,638	290	9,929	11,128	11,907	12,741
Total Expenditure - Standard	116,876	160,461	207,115	176,281	11,336	187,616	191,519	204,925	219,270
Surplus/(Deficit) for the year	(7,053)	(19,774)	(8,236)	2,106	(1,100)	1,006	59,830	59,973	64,351

(Source: Monthly Budget Report, 2011/12 [June 2012])

Figure / Table 79: Budgeted Financial Performance: Revenue and expenditure by Vote

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote									
Vote 1 - EXECUTIVE & COUNCIL	3,298	4,492	5,818	7,771	–	7,771	8,792	9,006	9,747
Vote 2 - BUDGET & TREASURY	24,254	15,158	19,121	23,613	1,152	24,765	24,057	25,339	27,224



Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Vote 3 - CORPORATE SERVICES	1,064	1,182	1,094	1,124	72	1,195	1,214	1,300	1,391
Vote 4 - PLANNING & DEVELOPMENT	509	1,297	39,549	2,420	249	2,669	6,666	9,696	16,719
Vote 5 - HEALTH	25	28	28	31	–	31	31	33	36
Vote 6 - COMMUNITY & SOCIAL SERVICES	420	416	(297)	771	5	776	1,071	1,145	1,226
Vote 7 - PUBLIC SAFETY	4,180	1,669	2,259	5,801	1,233	7,034	7,006	7,095	7,703
Vote 8 - WASTE WATER MANAGEMENT	10,564	18,180	14,162	16,449	1,003	17,452	13,025	13,535	23,044
Vote 9 - ROAD TRANSPORT	1,588	1,714	2,055	2,279	45	2,324	4,773	6,637	4,148
Vote 10 - WATER	18,962	29,819	35,249	26,909	1,272	28,181	71,277	78,996	72,666
Vote 11 - Electricity	38,320	56,125	67,185	77,540	4,664	82,203	94,985	92,774	98,911
Vote 12 - WASTE MANAGEMENT	5,692	9,469	11,199	12,183	500	12,683	17,684	18,521	19,929
Vote 13 - SPORTS & RECREATION	947	1,139	1,459	1,497	40	1,537	766	820	877
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	109,822	140,687	198,879	178,387	10,235	188,622	251,349	264,898	283,621
Expenditure by Vote to be appropriated									
Vote 1 - EXECUTIVE & COUNCIL	7,163	10,495	10,083	12,164	1,645	13,809	12,171	13,023	13,935
Vote 2 - BUDGET & TREASURY	7,902	10,914	16,566	16,494	2,411	18,905	15,184	16,246	17,384
Vote 3 - CORPORATE SERVICES	8,164	10,816	10,348	11,253	762	12,015	11,306	12,097	12,944
Vote 4 - PLANNING & DEVELOPMENT	5,095	10,422	35,583	8,009	1,770	9,780	9,023	9,655	10,331
Vote 5 - HEALTH	658	653	948	1,264	(119)	1,145	1,287	1,378	1,474
Vote 6 - COMMUNITY & SOCIAL SERVICES	4,047	5,131	4,867	6,546	(14)	6,532	5,942	6,357	6,803
Vote 7 - PUBLIC SAFETY	4,926	4,631	5,036	9,147	35	9,182	9,433	10,094	10,800
Vote 8 - WASTE WATER MANAGEMENT	5,761	10,537	7,931	8,043	2,225	10,268	5,532	5,919	6,333
Vote 9 - ROAD TRANSPORT	11,082	16,742	17,737	15,393	(568)	14,825	10,850	11,609	12,422
Vote 10 - WATER	17,775	21,856	30,394	13,739	1,652	15,391	25,905	27,718	29,659
Vote 11 - Electricity	31,192	39,924	52,071	57,319	739	58,057	66,491	71,145	76,125
Vote 12 - WASTE MANAGEMENT	7,340	10,426	8,797	9,638	290	9,929	11,128	11,907	12,741
Vote 13 - SPORTS & RECREATION	5,770	7,914	6,755	7,273	506	7,779	7,268	7,777	8,321
Total Expenditure by Vote	116,876	160,461	207,115	176,281	11,336	187,616	191,519	204,925	219,270
Surplus/(Deficit) for the year	(7,053)	(19,774)	(8,236)	2,106	(1,100)	1,006	59,830	59,973	64,351

(Source: Monthly Budget Report, 2011/12 [June 2012])



5.2 Grants

Figure / Table 80: Grants (receipts)

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
RECEIPTS:									
Operating Transfers and Grants									
National Government:	30,450	41,271	80,570	63,369	20	63,389	70,655	73,387	79,391
Local Government Equitable Share	25,937	36,821	76,505	58,199	20	58,219	65,874	70,737	76,691
Municipal Systems Improvement	735	850	750	790		790	800	900	950
Water Services Operating Subsidy	3,278	2,850	2,115	1,481		1,481	1,481		
EPWP Incentive				1,449		1,449	1,000		
Finance Management	500	750	1,200	1,450		1,450	1,500	1,750	1,750
Other transfers/grants [insert description]									
Provincial Government:	346	346	360	646	–	646	932	1,010	1,094
Sport and Recreation	346	346	360	646		646	932	1,010	1,094
Total Operating Transfers and Grants	30,796	41,617	80,930	64,015	20	64,035	71,587	74,397	80,485
Capital Transfers and Grants									
National Government:	17,098	21,050	27,442	50,474	(5,000)	45,474	55,163	63,190	68,616
Municipal Infrastructure Grant (MIG)	17,098	21,050	27,442	45,474		45,474	55,163	58,190	61,554
Neighborhood Development Partnership				5,000	(5,000)			5,000	7,062
Total Capital Transfers and Grants	17,098	21,050	27,442	50,474	(5,000)	45,474	55,163	63,190	68,616
TOTAL RECEIPTS OF TRANSFERS & GRANTS	47,893	62,667	108,372	114,489	(4,980)	109,509	126,750	137,587	149,101

(Source: Monthly Budget Report, 2011/12 [June 2012])



Figure / Table 81: Grants (expenditure)

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	30,450	41,261	52,274	63,369	20	63,389	70,655	73,387	79,391
Local Government Equitable Share	25,937	39,086	48,470	58,199	20	58,219	65,874	70,737	76,691
Municipal Systems Improvement	735	1,080	595	790		790	800	900	950
Water Services Operating Subsidy	3,278	–	1,586	1,481		1,481	1,481		
EPWP Incentive				1,449		1,449	1,000		
Finance Management	500	1,095	1,624	1,450		1,450	1,500	1,750	1,750
Provincial Government:	346	356	480	646	–	646	932	1,010	1,094
Blue drop and Green support	346	356	360	646		646	932	1,010	1,094
Total operating expenditure of Transfers and Grants:	30,796	41,617	52,754	64,015	20	64,035	71,587	74,397	80,485
Capital expenditure of Transfers and Grants									
National Government:	17,098	21,050	24,914	50,474	(5,000)	45,474	55,163	63,190	68,616
Municipal Infrastructure Grant (MIG)	17,098	21,050	24,914	45,474		45,474	55,163	58,190	61,554
Neighbourhood Development Partnership				5,000	(5,000)			5,000	7,062
Provincial Government:	–	–	30,704	–	–	–	–	–	–
Department of Mineral and Energy			1,868						
235 Housing project			8,674						
Integrated housing project			8,184						
1000 Rural Housing			10,832						
Total capital expenditure of Transfers and Grants	17,098	21,050	55,618	50,474	(5,000)	45,474	55,163	63,190	68,616
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	47,893	62,667	108,372	114,489	(4,980)	109,509	126,750	137,587	149,101

(Source: Monthly Budget Report, 2011/12 [June 2012])



5.3 Assets

Figure / Table 82: Assets

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CAPITAL EXPENDITURE									
Total New Assets	24,438	38,251	62,418	61,274	(3,600)	57,674	119,860	63,190	68,616
Infrastructure - Road transport	521	2,573	–	5,831	–	5,831	4,640	6,494	3,995
Infrastructure – Electricity	839	4,796	4,366	6,847	–	6,847	63,815	438	–
Infrastructure – Water	4,624	13,795	16,563	31,606	–	31,606	40,464	46,212	37,476
Infrastructure – Sanitation	15,203	5,556	–	4,999	–	4,999	950	–	8,451
Infrastructure – Other	2,530	9,027	5,782	500	(500)	–	–	5,000	7,062
Infrastructure	23,717	35,747	26,711	49,783	(500)	49,283	109,869	58,144	56,984
Community	764	1,298	35,708	3,000	(3,000)	–	270	3,446	181
Other assets	(42)	1,206	–	8,491	(100)	8,391	9,721	1,600	11,451
Total Capital Expenditure									
Infrastructure - Road transport	521	2,573	–	5,831	–	5,831	4,640	6,494	3,995
Infrastructure – Electricity	839	4,796	4,366	6,847	–	6,847	63,815	438	–
Infrastructure – Water	4,624	13,795	16,563	31,606	–	31,606	40,464	46,212	37,476
Infrastructure – Sanitation	15,203	5,556	–	4,999	–	4,999	950	–	8,451
Infrastructure – Other	2,530	9,027	5,782	500	(500)	–	–	5,000	7,062
Infrastructure	23,717	35,747	26,711	49,783	(500)	49,283	109,869	58,144	56,984
Community	764	1,298	35,708	3,000	(3,000)	–	270	3,446	181
Other assets	(42)	1,206	–	8,491	(100)	8,391	9,721	1,600	11,451
TOTAL CAPITAL EXPENDITURE - Asset class	24,438	38,251	62,418	61,274	(3,600)	57,674	119,860	63,190	68,616
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	14,542	187,332	179,609	185,440		185,440	190,080	196,574	200,569
Infrastructure – Electricity	28,603	276,114	269,859	276,706		276,706	340,521	340,959	340,959
Infrastructure – Water	35,194	295,631	301,093	332,699		332,699	373,163	419,375	456,851
Infrastructure – Sanitation	19,604	77,287	74,469	79,468		79,468	80,418	80,418	88,869
Infrastructure – Other	984	59,670	56,479	56,979	(500)	56,479	56,479	61,479	68,541
Infrastructure	98,926	896,033	881,509	931,292	(500)	930,792	1,040,661	1,098,805	1,155,789



Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Community	11,193			3,000	(3,000)	–	270	3,716	3,898
Heritage assets	2								
Investment properties	–	1,635	1,619	1,699	–	1,699	–	–	–
Other assets	45,070	64,922	72,086	80,577	(100)	80,477	90,198	91,798	103,249
Agricultural Assets	–	–	–	–	–	–	–	–	–
Intangibles	–	332	200	210	–	210	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	155,191	962,922	955,413	1,016,778	(3,600)	1,013,178	1,131,129	1,194,319	1,262,935
EXPENDITURE OTHER ITEMS									
<u>Depreciation & asset impairment</u>	1,699	38,775	40,432	13,058	–	13,058	13,028	13,940	14,916
<u>Repairs and Maintenance by Asset Class</u>	19,379	22,965	24,557	22,873	3,136	26,009	15,942	17,058	18,265
Infrastructure - Road transport	1,335	1,353	2,030	1,090	51	1,141	1,594	2,047	1,827
Infrastructure – Electricity	–	–	–	1,000	–	1,000	4,623	–	–
Infrastructure – Water	–	–	–	1,300	–	1,300	3,268	11,941	8,219
Infrastructure – Sanitation	–	–	–	–	–	–	159	–	2,740
Infrastructure – Other	1,754	201	2,793	1,795	(10)	1,785	–	1,365	2,740
Infrastructure	3,090	1,554	4,823	5,185	41	5,226	9,645	15,352	15,525
Community	–	–	–	–	–	–	80	1,023	–
Other assets	16,289	21,411	19,734	17,688	3,095	20,783	6,217	682	2,740
TOTAL EXPENDITURE OTHER ITEMS	21,078	61,740	64,989	35,931	3,136	39,067	28,970	30,998	33,181
<i>Renewal of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>	12.5%	2.4%	2.6%	2.4%	0.0%	2.8%	1.4%	1.4%	1.4%
<i>Renewal and R&M as a % of PPE</i>	12.0%	2.0%	3.0%	2.0%	-87.0%	3.0%	1.0%	1.0%	1.0%

(Source: Monthly Budget Report, 2011/12 [June 2012])



5.4 Basic Service Delivery

Figure / Table 83: Basic Service Delivery

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets									
Water:									
Piped water inside dwelling	5,256	4,483							
<i>Minimum Service Level and Above sub-total</i>	5,256	4,483	–	–	–	–	–	–	–
No water supply	1,645	1,955							
<i>Below Minimum Service Level sub-total</i>	1,645	1,955	–	–	–	–	–	–	–
Total number of households	6,901	6,438	–	–	–	–	–	–	–
Sanitation/sewerage:									
Flush toilet (connected to sewerage)									
Flush toilet (with septic tank)	9,020	10,004							
<i>Minimum Service Level and Above sub-total</i>	9,020	10,004	–	–	–	–	–	–	–
No toilet provisions	1,933	1,439							
<i>Below Minimum Service Level sub-total</i>	1,933	1,439	–	–	–	–	–	–	–
Total number of households	10,953	11,443	–	–	–	–	–	–	–
Energy:									
Electricity - prepaid (< min. service level)	18,901	19,281							
Other energy sources	1,896	2,005							
<i>Below Minimum Service Level sub-total</i>	20,797	21,286	–	–	–	–	–	–	–
Total number of households	20,797	21,286	–	–	–	–	–	–	–
Refuse:									
Removed at least once a week	10,637	9,935							
<i>Minimum Service Level and Above sub-total</i>	10,637	9,935	–	–	–	–	–	–	–
Total number of households	10,637	9,935	–	–	–	–	–	–	–
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	32,006	4,838	31,785	60,894		60,894	61,000	62,220	63,464
Sanitation (free minimum level service)	989	988	901	532		532	560	571	583



Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Electricity/other energy (50kwh per household per month)	23,006	21,128	17,967	19,667		19,667	19,789	20,185	20,588
Refuse (removed at least once a week)	989	988	901	532		532	560	571	583
Cost of Free Basic Services provided (R'000)									
Water (6 kiloliters per household per month)	2,372	3,938	8,809	2,117		2,117	2,244	2,401	2,569
Sanitation (free sanitation service)	236	275	1,240	991		991	1,050	1,124	1,202
Electricity/other energy (50kwh per household per month)	2,252	2,120	2,006	1,505		1,505	1,595	1,707	1,826
Refuse (removed once a week)	167	202	157	71		71	76	81	86
Total cost of FBS provided (minimum social package)	5,027	6,534	12,212	4,684	–	4,684	4,965	5,312	5,684
Highest level of free service provided									
Water (kiloliters per household per month)	6	6	6	6			6	6	6
Electricity (kwh per household per month)	50	50	50	50			50	50	50
Revenue cost of free services provided (R'000)									
Property rates (other exemptions, reductions and rebates)							938	1,004	1,074
Water							52	56	60
Electricity/other energy							2,142	2,292	2,453
Total revenue cost of free services provided (total social package)	–	–	–	–	–	–	3,132	3,352	3,586

(Source: Monthly Budget Report, 2011/12 [June 2012])



Component A: Capital Budget

Figure / Table 84: Capital expenditure by Vote, standard classification and source of funding

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure – Vote										
Multi-year expenditure to be appropriated										
Vote 9 - ROAD TRANSPORT	–	–	–	–	–	–	–	–	5,996	3,995
Vote 10 – WATER	–	–	–	–	–	–	–	22,797	43,694	33,795
Capital multi-year expenditure sub-total	–	–	–	–	–	–	–	22,797	49,690	37,790
Single-year expenditure to be appropriated										
Vote 1 - EXECUTIVE & COUNCIL	55	804	–	700	(100)	600	–	–	–	–
Vote 2 - BUDGET & TREASURY	45	114	–	140	(140)	–	–	10	–	–
Vote 3 - CORPORATE SERVICES	–	288	–	38	(38)	–	–	15	–	–
Vote 4 - PLANNING & DEVELOPMENT	85	4,934	5,782	10,311	(7,420)	2,891	–	1,994	10,046	18,694
Vote 5 – HEALTH	20	–	–	–	–	–	–	–	–	–
Vote 6 - COMMUNITY & SOCIAL SERVICES	668	316	35,708	15	(15)	–	–	660	–	–
Vote 7 - PUBLIC SAFETY	(163)	325	–	90	2,410	2,500	–	1,011	–	–
Vote 8 - WASTE WATER MANAGEMENT	15,203	5,556	–	4,999	–	4,999	–	1,490	–	8,451
Vote 9 - ROAD TRANSPORT	521	2,573	–	5,871	(40)	5,831	–	6,668	498	–
Vote 10 – WATER	4,624	13,795	16,563	31,640	1,153	32,793	–	17,702	2,518	3,681
Vote 11 – Electricity	839	4,796	4,366	7,415	645	8,060	–	64,493	438	–
Vote 12 - WASTE MANAGEMENT	2,445	4,093	–	55	(55)	–	–	1,200	–	–
Vote 13 - SPORTS & RECREATION	96	656	–	–	–	–	–	1,820	–	–
Capital single-year expenditure sub-total	24,438	38,251	62,418	61,274	(3,600)	57,674	–	97,063	13,500	30,826
Total Capital Expenditure – Vote	24,438	38,251	62,418	61,274	(3,600)	57,674	–	119,860	63,190	68,616
Capital Expenditure – Standard										
Governance and administration	100	1,206	–	878	(200)	678	–	25	–	–
Executive and council	55	804	–	700	(100)	600	–	–	–	–
Budget and treasury office	45	114	–	140	–	140	–	10	–	–
Corporate services	–	288	–	38	(100)	(62)	–	15	–	–



Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Community and public safety	621	1,298	35,708	105	(25)	80	–	3,491	–	–
Community and social services	668	316	35,708	15	(15)	–		660	–	–
Sport and recreation	96	656	–	–	–	–		1,820	–	–
Public safety	(163)	325	–	90	(10)	80		1,011	–	–
Health	20									
Economic and environmental services	605	7,506	5,782	16,182	(7,460)	8,722	–	8,662	16,540	22,689
Planning and development	85	4,934	5,782	10,311	(7,420)	2,891		1,994	10,046	18,694
Road transport	521	2,573	–	5,871	(40)	5,831		6,668	6,494	3,995
Environmental protection										
Trading services	23,111	28,241	20,929	44,109	1,743	45,852	–	107,682	46,650	45,927
Electricity	839	4,796	4,366	7,415	645	8,060		64,493	438	–
Water	4,624	13,795	16,563	31,640	1,153	32,793		40,499	46,212	37,476
Waste water management	15,203	5,556	–	4,999	–	4,999		1,490	–	8,451
Waste management	2,445	4,093	–	55	(55)	–		1,200	–	–
Other										
Total Capital Expenditure – Standard	24,438	38,251	62,418	61,274	(5,942)	55,332	–	119,860	63,190	68,616
Funded by:										
National Government	17,098	21,050	27,442	50,474	(5,000)	45,474		55,163	63,190	68,616
Transfers recognised – capital	17,098	21,050	27,442	50,474	(5,000)	45,474	–	55,163	63,190	68,616
Public contributions & donations										
Borrowing	7,340	17,201	34,976	8,694	2,500	11,194		60,030		
Internally generated funds				2,106	(1,100)	1,006		4,667		
Total Capital Funding	24,438	38,251	62,418	61,274	(3,600)	57,674	–	119,860	63,190	68,616

(Source: Monthly Budget Report, 2011/12 [June 2012])



Figure / Table 85: Capital expenditure by new assets

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	23,717	35,747	26,711	49,783	(500)	49,283	109,869	58,144	56,984
Infrastructure - Road transport	521	2,573	–	5,831	–	5,831	4,640	6,494	3,995
Roads, Pavements & Bridges	521	2,573		5,831		5,831	4,640	6,494	3,995
Storm water									
Infrastructure – Electricity	839	4,796	4,366	6,847	–	6,847	63,815	438	–
Transmission & Reticulation	839		2,468	6,847		6,847	55,000	–	–
Street Lighting		4,796	1,897				8,815	438	–
Infrastructure – Water	4,624	13,795	16,563	31,606	–	31,606	40,464	46,212	37,476
Dams & Reservoirs				3,680		3,680	200	17,858	4,776
Reticulation	4,624	13,795	16,563	27,926		27,926	40,264	28,354	32,701
Infrastructure – Sanitation	15,203	5,556	–	4,999	–	4,999	950	–	8,451
Reticulation	15,203	5,556		150		150			8,451
Sewerage purification				4,849		4,849	950	–	–
Infrastructure – Other	2,530	9,027	5,782	500	(500)	–	–	5,000	7,062
Waste Management		4,093							
Other	2,530	4,934	5,782	500	(500)	–		5,000	7,062
Community	764	1,298	35,708	3,000	(3,000)	–	270	3,446	181
Parks & gardens							270	–	–
Sportsfields & stadia	96	656							
Community halls				3,000	(3,000)	–	–	3,446	181
Fire, safety & emergency		325							
Other	668	316	35,708						
Other assets	(42)	1,206	–	8,491	(100)	8,391	9,721	1,600	11,451
General vehicles		804		600		600	830	–	–
Specialised vehicles	–	–	–	–	3,942	3,942	3,250	–	–



Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Plant & equipment	55	288		277	181	458	1,450	–	–
Computers - hardware/equipment				80	(80)	–	13	–	–
Furniture and other office equipment	45			1,990	(743)	1,247	1,585	1,600	11,451
Civic Land and Buildings				544	–	544	544	–	–
Other Buildings					1,100	1,100	50	–	–
Other	(143)	114		5,000	(4,500)	500	2,000		
Total Capital Expenditure on new assets	24,438	38,251	62,418	61,274	(3,600)	57,674	119,860	63,190	68,616
<u>Specialised vehicles</u>	–	–	–	–	3,942	3,942	3,250	–	–
Refuse							1,200		–
Fire					2,500	2,500			
Conservancy					1,442	1,442	2,050		–
Ambulances									

(Source: Monthly Budget Report, 2011/12 [June 2012])



Component B: Cash Flow Management and Investments

5.5 Cash flows

Figure / Table 86: Cash flows

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other	185,321	101,279	80,794	84,834	33,209	118,043		86,638	90,970	95,519
Government – operating	34,286	41,617	80,930	64,015	20	64,035		71,587	73,387	79,391
Government – capital		21,050	27,442	50,474	(5,000)	45,474		55,163	63,190	68,616
Interest	187	1,419	2,115	66		66		457	479	503
Dividends			0							
Payments										
Suppliers and employees	(113,781)	(114,938)	(158,231)	(166,143)	(10,768)	(176,911)		(173,184)	(181,843)	(190,935)
Finance charges	(7,709)	(4,293)	(4,103)	(3,555)		(3,555)		(280)	(294)	(309)
Transfers and Grants	–	–							–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	98,304	46,135	28,947	29,691	17,460	47,151	–	40,381	45,889	52,785
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	5,000		–					1,860	1,953	2,051
Decrease (Increase) in non-current debtors	–	–								
Decrease (increase) other non-current receivables										
Decrease (increase) in non-current investments		(0)	0							
Payments										
Capital assets	(108,923)	(38,251)	(31,197)	(50,474)	(5,000)	(55,474)		(80,306)	(37,914)	(48,031)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(103,923)	(38,251)	(31,197)	(50,474)	(5,000)	(55,474)	–	(78,446)	(35,961)	(45,980)
CASH FLOWS FROM FINANCING ACTIVITIES										

Ga-Segonyana Local Municipality



Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Receipts										
Short term loans	5,988	629	1,147	1,204		1,204				
Borrowing long term/refinancing		4	(82)	(86)		(86)		60,030		
Increase (decrease) in consumer deposits		(832)	255	267		267				
Payments										
Repayment of borrowing	(3,834)	(4,795)	(5,209)	(2,613)		(2,613)		(9,246)		
NET CASH FROM/(USED) FINANCING ACTIVITIES	2,153	(4,993)	(3,889)	(1,227)	–	(1,227)	–	50,784	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	(3,466)	2,890	(6,140)	(22,010)	12,460	(9,550)	–	12,719	9,929	6,805
Cash/cash equivalents at the year begin:	4,387	922	3,812	(2,327)		(2,327)	–	(11,877)	842	10,771
Cash/cash equivalents at the year end:	922	3,812	(2,328)	(24,337)	12,460	(11,877)	–	842	10,771	17,576

(Source: Monthly Budget Report, 2011/12 [June 2012])



5.6 Investments

Figure / Table 87: Investments

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	Yrs/Months								Rand thousand	
Parent municipality										
ABSA	2 Months	Fixed	Yes	Fixed	5%			30/10/2012	20,000	
	3 Months	Fixed	Yes	Fixed	5.21%			30/01/2013	30,000	
	3 Months	Fixed	Yes	Fixed	5.09%			30/05/2013	20,000	
Municipality sub-total									70,000	—
TOTAL INVESTMENTS AND INTEREST									70,000	—

(Source: Monthly Budget Report, 2011/12 [June 2012])

5.7 Borrowing

Figure / Table 88: Borrowing

Borrowing - Categorized by type	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Parent municipality									
Long-Term Loans (annuity/reducing balance)	37,304	32,339	30,695	41,474	2,500	43,974	90,658	—	—
Municipality sub-total	37,304	32,339	30,695	41,474	2,500	43,974	90,658	—	—
Total Borrowing	37,304	32,339	30,695	41,474	2,500	43,974	90,658	—	—
Total Unspent Borrowing	—	—	—	—	—	—	—	—	—

(Source: Monthly Budget Report, 2011/12 [June 2012])



Component C: Disclosure of Staff Remuneration

Figure / Table 89: Disclosure of staff remuneration

Summary of Employee and Councillor remuneration	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	2,853	2,206	3,682	4,333	225	4,558	3,435	3,676	3,952
Pension and UIF Contributions	480	541	528	781	(22)	759	630	674	725
Medical Aid Contributions	89	140	205	267	(10)	257	432	462	497
Motor Vehicle Allowance	990	963	851			–	1,400	1,498	1,610
Cellphone Allowance	187			314		314	308	329	354
Housing Allowances	93			55	(30)	25			
Other benefits and allowances	113			547	250	797			
Sub Total - Councillors	4,804	3,850	5,267	6,298	413	6,710	6,205	6,639	7,137
% increase		(19.9%)	36.8%	19.6%	(93.5%)	1,526.7%	(7.5%)	7.0%	7.5%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	2,285	2,546	2,834	3,004	(497)	2,508	3,211	3,436	3,694
Pension and UIF Contributions	145	293	315	239		239	240	256	276
Medical Aid Contributions	64	68	68	71	(50)	21	71	76	82
Motor Vehicle Allowance		430	370			–	406	434	467
Cellphone Allowance						–	43	46	50
Housing Allowances		14				–			
Other benefits and allowances	305			561	112	673	70	75	80
Payments in lieu of leave	199			68		68			
Sub Total - Senior Managers of Municipality	2,998	3,352	3,586	3,943	(435)	3,508	4,041	4,323	4,648
% increase		11.8%	7.0%	9.9%	(111.0%)	(906.9%)	15.2%	7.0%	7.5%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	16,487	18,379	20,679	29,425	(5,185)	24,240	28,294	30,275	32,545
Pension and UIF Contributions	4,979	5,016	3,676	4,980	(401)	4,579	6,161	6,593	7,087

Ga-Segonyana Local Municipality



Summary of Employee and Councillor remuneration	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Medical Aid Contributions	1,602	1,678	1,658	2,826	(699)	2,127	3,289	3,520	3,784
Overtime	948	1,144	1,172	563	(2)	561	1,298	1,388	1,493
Performance Bonus		8	8	8		8	7	8	8
Motor Vehicle Allowance	1,899	1,975	2,080			—	565	604	650
Cellphone Allowance	169	212	205		39	39	57	61	66
Housing Allowances		1,627	1,599	975	(249)	726	1,705	1,824	1,961
Other benefits and allowances				6,024	(462)	5,562	4,573	4,893	5,260
Payments in lieu of leave		1,714	1,778	658		658	1,241	1,328	1,428
Long service awards		108	146	82	10	92		—	—
Sub Total - Other Municipal Staff	26,084	31,861	33,000	45,541	(6,949)	38,592	47,190	50,494	54,281
% increase		22.1%	3.6%	38.0%	(115.3%)	(655.4%)	22.3%	7.0%	7.5%
Total Parent Municipality	33,885	39,063	41,853	55,782	(6,971)	48,811	57,436	61,456	66,066
		15.3%	7.1%	33.3%	(112.5%)	(800.2%)	17.7%	7.0%	7.5%
TOTAL SALARY, ALLOWANCES & BENEFITS	33,885	39,063	41,853	55,782	(6,971)	48,811	57,436	61,456	66,066
% increase		15.3%	7.1%	33.3%	(112.5%)	(800.2%)	17.7%	7.0%	7.5%
TOTAL MANAGERS AND STAFF	29,081	35,212	36,587	49,484	(7,384)	42,100	51,231	54,817	58,928

Chapter 6

Report of the Auditor General for the 2010/11 Financial Year



**REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL
LEGISLATURE AND THE COUNCIL ON THE GA-SEGONYANA MUNICIPALITY**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the accompanying financial statements of the Ga-Sekonyana Local Municipality, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages ... to ...

Accounting Officer's Responsibility for the Financial Statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010 as amended)(DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR-GENERAL'S RESPONSIBILITY

3. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the international Standards on Auditing and *General notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Because of the matters described in the Basis for disclaimer of opinion paragraphs, I was unable to obtain sufficient appropriate audit to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

Cash and cash equivalent

4. Cash and cash equivalents of R2 327 233 (2010: R3 812 811) were disclosed in note 20 to the financial statements. The municipality could not provide supporting evidence for transactions of R1 666 409 recorded in the cash book. Furthermore, the bank reconciliation statement consist of reconciling items of R697 316 (2010: R1 877 278) debit and R264 530 credit that were not supported by documentary evidence. Consequently, I was unable to confirm the valuation and completeness of cash equivalents. The municipality's records did not permit the application of alternative procedures.

Cash flow statements

5. Due to the impact of the unreconciled bank balance also reported in the prior year, I could not obtain reasonable assurance on the valuation and allocation, existence and rights and obligations of the cash flow statement

Inventory

6. A detailed breakdown between classes of inventory as required by GRAP 1, *Presentation of financial statements*, was not disclosed in the note to the financial statements. Furthermore, the inventory count relating to fuel was not adequately performed and value-added tax (VAT) was incorrectly accounted for an inventory. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness, existence, rights, valuation and allocation of inventory.
7. Inventory of R6 738 543 (2010: R6 911 292) was disclosed in note 15 to the financial statements. However, the following discrepancies were identified:
 - the municipality did not account and disclose inventory relating to unsold water and electricity at year-end of R880 968 and R2 245 269 respectively. As a result of the above error, inventory was understated by R3 128 237 in note 15 to the financial statements;
 - the difference between the physical stock and the opening balance as per the system was not adjusted, resulting in the overstatement of inventory by R2 718 454 (2010: R2 500 000). The stock count for the year revealed differences of R1 955 340. The amounts were not assessed and disclosed as losses in the financial statements and the inventory was not adjusted; and
 - a 12% handling fee of R840 965 to internal departments. Revenue and the corresponding inventory expenditure were misstated with the same amount as the intercompany transactions were not eliminated in the financial statements.

Property, plant and equipment

8. Property, plant and equipment of R951 776 737 (2010: R960 954 373) were disclosed in note 10 to the financial statements. However, the following discrepancies were identified:
 - SA Standards of GRAP 17, *Property, plant and equipment* requires that subsequent to initial recognition at cost, an item of property, plant and equipment should be carried at cost less accumulated depreciation and accumulated impairment losses. The asset management policy of the municipality states that assets less than R5 000 should be fully depreciated at the year they are purchased. As indicated in the asset register, assets costing less than R5000 were not fully depreciated during the year they were brought into use. Had these assets been fully depreciated, the surplus for the period would have decreased by the same amount. I was unable to determine the effect on the corresponding figures;
 - the municipality did not update the asset register with the latest valuation roll conducted before year end. As a result, land in the asset register was overstated by R23 638 913 and the financial statements by the same amount. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the rights and valuation pertaining to property plant and equipment disclosed in note 10 to the financial statements;
 - the municipality did not review the residual values and useful lives on items of property, plant and equipment at each reporting date in accordance with SA Standards of GRAP 17, *Property, plant and equipment*. The records did not permit the application of adequate alternative auditing procedures regarding this property, plant and equipment.

Consequently I could not determine the impact on the carrying values of property, plant and equipment as disclosed in the statement of financial position; and

- the amount disclosed in the trial balance of R940 079 057 was less than the financial statements of R951 776 737 resulting in a difference of R11 697 678.
9. As reported in the prior year sufficient appropriate audit evidence could not be obtained for journals and additions. Consequently, I was unable to perform satisfactorily audit procedures to obtain reasonable audit assurance on the classification and allocation, completeness, existence, rights and obligations pertaining to property, land and equipment.

Trade receivables from exchange transactions

10. Trade receivables from exchange transactions of R8 601 654 (2010: R8 657 702) were disclosed in note 16 to the financial statements. The following discrepancies were noted:
- included in this account balance were receivables with credit balances of R1 617 200. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance as to the existence, valuation and rights and obligation to the receivables of R1 617 200 as supporting evidence for the above could not be provided;
 - included in this account balance were long overdue receivables of R10 732 272. Payments were not received from these debtors and no write off or follow up has been made by the municipality. Furthermore, debtors of R18 586 909 were more than 90 days overdue and no disconnection was made to enforce payment and ensure recoverability of debt due to the municipality.

Consequently, I was unable obtain sufficient appropriate audit evidence to satisfy myself as to the existence, valuation and allocation of debtors.

11. As reported in the prior year sufficient appropriate audit evidence could not be obtained for trade debtors, credit balances included in the debtors, employee costs paid in advance, deposits, and VAT. Consequently, I was unable to perform satisfactorily audit procedures to obtain reasonable audit assurance on the completeness, rights and obligations, existence and valuation pertaining to trade receivables from exchange transactions.

Trade receivables from non-exchange transactions

12. Other receivables from non-exchange transactions of R5 541 646 (2010: R7 157 686) were disclosed in note 17 to the financial statements. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance as to the valuation and allocation, existence, rights and obligation to the receivables of R3 112 994 (2010: R7 157 686).

Debt impaired

13. Paragraph 58 of the South African Statement of Generally Accepted Practice (SA Statements of GAAP), IAS 39 (AC 133), *Financial instruments: Recognition and measurement* (IAS 39) requires the municipality to assess at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. The municipality, however, made a general provision for doubtful bad debts for receivables from exchange and non-exchange transactions amounting to R15 141 754 (2010: R12 981 594), which was not in accordance with the impairment requirements of IAS 39. As the relevant information was not available I was not able to calculate what the impairment charge against receivables from exchange and non-exchange transactions and bad debts expense should have been if IAS 39 had been applied correctly.

Trade and other payables

14. Trade and other payables of R3 625 503 (2010: R3 245 105) were disclosed in note 7 to the financial statements. The municipality could not provide sufficient appropriate audit evidence to support R847 522 debit and R1 118 040 (2010: R1 007 389) credit balances included in note 7 as deposits received. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all transactions were properly recorded. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness, valuation and allocation and obligation of accounts payable of R1 965 562 (2010: R1 007 389).
15. The municipality did not accrue for invoices in respect of goods and services received of at least R1 988 849 (2010: R5 827 076). Had these invoices been accrued for, the effect would have been to reduce the surplus for the period and the accumulated surpluses by R1 988 849 (2010: R5 827 076) and to increase the payables in the statement of financial position by an equal amount.

Value-added tax (VAT)

16. VAT receivable from non-exchanged transactions of R4 067 905 (2010: R154 959) was disclosed in note 9 to the financial statements. The following discrepancies were identified:
 - the municipality did not adequately perform VAT reconciliation during the year under review;
 - a difference of R2 086 965 was identified between the vat receivable as disclosed in the financial statements, reconciliation and the confirmation received from SARS;
 - instances were identified where input VAT was incorrectly processed in the accounting system; and
 - disclosed under VAT receivable from non-exchanged transaction was R1 565 037 relating to journals passed to correct VAT on inventory purchased in the prior year. Supporting evidence could not be obtained for the journals.

Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the occurrence, accuracy, valuation and allocation of VAT receivable from non-exchanged transaction.

Unspent conditional grants

17. Unspent conditional grants and receipts of R3 099 333 (2010: R5 640 030) were disclosed in note 8 to the financial statements. The above note was understated by R7 311 487 as the amount disclosed differed from the amount confirmed by the transferring institution. Current liabilities were understated by the same amount in the statement of financial position.
18. As reported in the prior year I could not establish if all transactions took place according to the conditions of each grant and whether the expenditure against the grant had been disclosed in the statement of financial performance. The portion that needed to be capitalized to property, plant and equipment or transferred to operating expenditure could also not be confirmed. Furthermore, a difference of R2 529 361 was identified between the DoRA and the amounts per the bank statements. Consequently, I was unable to perform satisfactorily audit procedures to obtain reasonable audit assurance on the valuation and allocation, existence, rights and obligations pertaining to unspent conditional grants.

Provisions

19. Provision has not been made for the environmental rehabilitation costs of restoring the municipality's landfill sites. A provision should be made for the present obligation incurred as a consequence of its past use of the landfill sites in accordance with SA Standards of GRAP 19, *Provisions, contingent liabilities and contingent assets*. The records did not permit the application of adequate alternative auditing procedures regarding this provision. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness, valuation and allocation of provisions.
20. Provision has not been made for the employee bonuses for the current and prior year. A provision should be made for the present obligation incurred in accordance with SA Standards of GRAP 19, *Provisions, contingent liabilities and contingent assets*. The records did not permit the application of adequate alternative auditing procedures regarding this provision. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness, valuation and allocation of provisions. Reliable estimates could not be made with regards to bonus provision.

Expenditure

21. Expenditure of R207 115 180 (2010: R160 460 537) was disclosed in the statement of financial performance. The following discrepancies were identified:
 - The amount disclosed in the general ledger of R53 317 635 for different classes of expenditure did not agree to the financial statements of R86 954 795 resulting in a difference of R33 637 160. I could not be provided with sufficient supporting documentation to reconcile this difference.
 - Sufficient appropriate audit evidence could not be obtained for general expenses, bulk purchases, operating grant expenses and repairs and maintenance of R12 495 700 and journals of R1 408 013. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all goods and services were properly recorded.

Consequently, I was unable obtain sufficient appropriate audit evidence to satisfy myself as to be occurrence, completeness, accuracy, cut-off and classification of expenditure.
22. As reported in the prior year sufficient appropriate audit evidence could not be obtained for general expenditure, repairs and maintenance, and journals. Numerous accounting entry errors were noted in depreciation, amortization and debt impairment. Consequently, I was unable to perform satisfactorily audit procedures to obtain reasonable audit assurance on the accuracy, occurrence and classification pertaining to expenditure.

Revenue from exchanged transactions

23. There was no system of control over pre-paid electricity revenue on which I could rely for the purpose of my audit, and there were no satisfactory audit procedures that I could perform to obtain reasonable assurance that all pre-paid electricity revenue was properly recorded. The municipality did not perform reconciliation between the pre-paid electricity system and the accounting system used for the preparation of the financial statements. Consequently, I was unable to obtain sufficient audit evidence to satisfy myself as to the completeness of pre-paid electricity revenue of R46 352 832 (2010: R41 230 350).

24. The municipality did not change interest and penalties on outstanding debtors as a requirement by the debtor's policy. The SA Standards of GAAP< IAS 18 (AC 111) *Revenue* requires that revenue be recognized in the period in which it was earned. Had interest on overdue account being charged, revenue and not profit would have been increased and receivables in the statement of financial position would have been increases by R1 575 634 (2010: R1 308 865).
25. As reported in the prior year sufficient appropriate audit evidence could not be obtained for service charges, journals, interest and penalties received on arrear accounts, government grants, and subsidies, licences and permits, and rental of facilities. Consequently, I was unable to perform satisfactory audit procedures to obtain reasonable audit assurance on the completeness, accuracy, occurrence, classification and cut-off pertaining to revenue.

Revenue from non-exchange transactions

26. Revenue from non-exchanged transactions of R124 451 442 (2010: R76 676 316) was disclosed in the statement of financial performance. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all transactions were properly recorded. Sufficient appropriate audit evidence could not be obtained for fines of R1 344 567 and licences and permits of R1 507 403. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the occurrence, completeness, accuracy, cut-off and classification of revenue amounting to R2 651 970.

Distribution losses

27. Section 125(2)(d)(i) of the MFMA states that the notes to the annual financial statements of a municipality must disclose particulars of any material losses. The municipality did not disclose in the note to the financial statements distribution losses with regard to electricity and water due to the municipality not implementing adequate control measures to reliably calculate these losses. I was unable to determine the total extent of the understatement in distribution losses as sufficient appropriate documents could not be obtained.

Finance charges

28. Finance charges of R4 102 974 (2010: R4 292 557) were disclosed in note 28 to the financial statements. Disclosed in this note was R3 361 811 (2010: R3 675 832) relating to long term liabilities. The municipality did not account for the finance charges as required by SA Standards of GRAP 5, *borrowing costs*. The municipality incorrectly expensed the finance charges that should have been capitalized on qualifying assets. Consequently, finance charges were overstated by R3 361 811 (2010: R3 675 832) and assets purchased on these loans understated by the same amount.

Commitments

29. Commitments of R25 273 275 (2010: R11 622 072) were disclosed in note 39 to the financial statements. The municipality incorrectly disclosed expenses incurred on projects during the year as commitment resulting in the understatement of commitment in the financial statements by an estimated amount of R114 730 592 (2010: R91 012 237). The completeness and valuation of commitments could not be confirmed as no contract management system was in place for the identification and recognition of contracts.

Accumulated surplus

30. I was unable to perform satisfactorily audit procedures to obtain reasonable assurance on R1 290 611 disclosed in the trial balance as taken on balances emanating from prior years.

Sufficient evidence could not be obtained as to the above balance included in the accumulated surplus account at R1 290 611 (2010: R14 113 431) as the filling system did not function effectively, resulting in sufficient audit evidence for debit transactions amounting to R55 687 724 and credit transactions amounting to R833 728 101 for the restated balances not being provided for audit purposes. The municipality's records did not permit the application of alternative procedures as a result I could not determine the impact in the financial statements.

Statement of changes in net assets

31. Due to the impact of the limitation of scope on the accumulated surplus for the current and prior year, I could not obtain reasonable assurance on the rights and obligations, existence, valuation and allocation of the statement of changes in net assets.

Prior period errors and changes in accounting policy

32. Prior period errors have been corrected during the current and prior year for which appropriate information have not been disclosed in the financial statements:
- The nature of the prior period errors, the amounts of the corrections for the affected financial statement line items and the amounts of the corrections at the beginning of the earliest prior period presented, were not disclosed as required by SA Standards of GRAP 3, *accounting policies, changes in accounting estimates and errors*, paragraph 49.
 - The nature of the changes in accounting policies, descriptions of the transitional provisions, the amounts of the adjustments for each financial statement line item affected and the amounts of the adjustments relating to periods before those presented were not adequately disclosed in the financial statements, as required by SA Standards of GRAP 3, *accounting policies, changes in accounting estimates and errors*, paragraph 28.

Related party

33. International Public Sector Accounting Standard, IPSAS 20, *Related-party disclosures* requires disclosure of the remuneration of key management personnel and the number of individuals. I was unable to perform satisfactory audit procedures to obtain reasonable assurance on the completeness of the disclosure note as required information was not presented for audit.

Irregular expenditure

34. Irregular expenditure of Rnil (2010: R762 012) was disclosed in note 37.03 to the financial statements. The lawyer's fee expenditure as disclosed and condoned in the prior year did not meet the definition of irregular expenditure resulting in the overstatement of irregular expenditure disclosure note in the financial statements.
35. The municipality operated without an approved delegation of authority. Consequently expenditure approved by person other than the accounting officer was deemed irregular expenditure as envisaged by section 79 of the MFMA. The amount of irregular expenditure incurred could not be quantified.
36. The municipality did not disclose as comparatives, irregular expenditure of R12 098 013 incurred in the prior years. The above irregular expenditures were not condoned nor a disclosure made as to the omission made by the municipality. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness pertaining to irregular expenditure disclosed in note 37.13 to the financial statements.

37. Payments of R10 063 051 (2010: R1 846 186) were made in contravention of the supply chain management (SCM) regulations and a further overspending of R1 236 640 on a tender was identified. The amount was not included in irregular expenditure, disclosed in note 37.03 to the financial statements, resulting in irregular expenditure being understated by R11 299 691. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness pertaining to irregular expenditure disclosed in note 37.03 to the financial statements.
38. Payments of R42 335 971 were made in contravention of the SCM regulations as no declarations were made by the directors on joint ventures entered and the directors owned other companies contracted to the municipality. The amount was not included in irregular expenditure, disclosed in note 37.03 to the financial statements. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness pertaining to irregular expenditure disclosed in note 37.03 to the financial statements.
39. Payments of R1 423 789 were made in contravention of the SCM regulations as no quotations and orders were obtained by the municipality. The amount was not included in irregular expenditure, disclosed in note 37.03 to the financial statements. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness pertaining to irregular expenditure disclosed in note 37.03 to the financial statements.
40. Service level agreements and/or bidding documents supporting the procurement of goods and services to the value of R9 397 191 could not be provided for audit purposes. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness pertaining to irregular expenditure disclosed in note 37.03 to the financial statements.

Unauthorised expenditure

41. The municipality did not disclose as comparatives, unauthorized expenditure of R2 125 748 incurred in the prior years. The above unauthorized expenditure was not condoned nor a disclosure made as to the omission made by the municipality. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness pertaining to unauthorized expenditure disclosed in note 37.03 to the financial statements.

Disclaimer of opinion

42. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

Emphasis of matters

43. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unauthorised expenditure

44. As disclosed in note 37.03 to the financial statements, unauthorised expenditure of R60 294 709 was incurred as a result of exceeding the total budgeted amount due to depreciation calculation with GRAP not included in the budget.

Restatement of corresponding figures

45. As disclosed in note 32 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during 30 June 2011 in the financial statements of the municipality at, and for the year ended, 30 June 2010.

Additional matter

I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

46. The supplementary information set out on pages xxx to xxx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

47. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report set out on pages ... to ... and material non-compliance with laws and regulations applicable to Ga-Segonyana Municipality.

Predetermined objectives

Presentation of information

48. The following criteria are relevant to the findings below:

- Performance against predetermined objectives was not reported using the National Treasury guidelines.

49. Audit findings:

- Measures taken to improve performance were not provided in the performance report, as required in terms of section 46(1)© of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000)(MSA). In total 100% of the reported targets where improvement is required was not explained.
- Corroborating evidence provided as a basis for the measures taken to improve performance between the planned and the actual reported targets did not agree in all instances with the measures taken to improve performance reported.

Usefulness of information

50. The following criteria are relevant to the findings below:

- Consistency: The reported objectives, indicators and targets are not consistent with the approved integrated development plan.

51. Audit findings:

- Planned objectives included in the integrated development plan were not consistent with the service delivery and budget implementation plan. In total 58% of all planned

objectives specified in the service delivery and budget implementation plan for the year under review were not included in the integrated development plan submitted for audit purposes.

- Planned objectives included in the annual performance report were not consistent with the integrated development plan. In total 45% of all planned objectives specified in the annual performance plan for the year under review were not included in the integrated development plan submitted for audit purposes.
- Planned development objectives that were changed but not approved and adequately explained in the annual performance report. In total 100% of all planned objectives specified in the annual performance report that were changed were not approved or adequately explained.

Reliability of information

52. The following criteria are relevant to the findings below:

- Validity: The reported performance did not occur and does not pertain to the entity.
- Accuracy: The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have not been included in the reported performance information.

53. Audit findings:

- The target as per the integrated development plan did not relate directly in 100% of instances to the institution's strategic goals and objectives as per the five year integrated development plan.

Compliance with laws and regulations

Strategic planning and performance management

54. The municipality did not give notice within 14 days of adoption of the integrated development plan to the public, contrary to the requirements of section 25(4)(a)(b) of the MSA.
55. The council did not, within the prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality as required by section 25 of the MSA.
56. The accounting officer of the municipality did not by 25 January assess the performance of the municipality during the first half of the financial year, taking into account the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan as required by section 72(1)(a)(ii) of the MFMA.
57. The accounting officer did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the mayor of the municipality, the National Treasury, and the provincial treasury as required by section 72(1)(b) of the MFMA.

Budgets

58. The municipality's service delivery and budget implementation plan was not approved by the mayor within 28 days after approval of the budget and no satisfactory explanation could be provided by management as to the non-approval of the above, contrary to the requirements of section 53(1)(ii) of the MFMA.

Annual financial statements

59. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors were not adequately corrected, which resulted in the financial statements receiving a disclaimer audit opinion.

Audit committee

60. The audit committee did not function as required by section 166 of the MFMA, in that:

- the audit committee did not advise the council, the accounting officer and the management staff of the municipality on matters relating to internal financial control and internal audits, accounting policies, performance management, effective governance, compliance with applicable legislation and performance evaluation;
- the audit committee did not review the annual financial statements;
- the audit committee did not respond to the council on any issues raised by the Auditor-General in the audit report; and
- the audit committee did not meet at least four times during the year.

61. The audit committee also did not advise the council of the municipality on the adequacy, reliability and accuracy of financial reporting and information, contrary to the requirements of section 166(2)(a)(iv) of the MFMA.

62. The audit committee did not advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to compliance with the MFMA, DoRA and other applicable legislation, contrary to the requirements of section 166(2)(a)(vii) of the MFMA.

Internal audit

63. The internal audit unit did not function as required by section 165(2) of the MFA, in that:

- the internal audit unit did not prepare a risk-based audit plan and an internal audit programme for the financial year under review; and
- the internal audit unit did not advise the accounting officer and report to the audit committee on matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management as well as loss control.

64. The internal audit unit also did not report to the audit committee on matters relating to compliance with the MFMA, DoRA and other applicable legislation, contrary to the requirements of section 165(2)(b) of the MFMA.

65. The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes as required by section 45(1)(a) of the MSA and Municipal Planning and Performance Management Regulation 14.

66. The internal audit processes and procedures did not include assessments of the

functionality of the municipality's performance management system and whether the system complied with the requirements of the MSA as required by Municipal Planning and Performance Management Regulation 14.

67. The internal audit processes and procedures did not include assessments of the extent to which the municipality's performance measurements were reliable in measuring the

performance of the municipality on key as well as general performance indicators as required by Municipal Planning and Performance Management Regulation 14.

68. The internal auditors of the municipality did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager and the performance audit committee as required by Municipal Planning and Performance Management Regulation 14.

Procurement and contract management

69. The municipality did not disclose all material losses, irregular or fruitless and wasteful expenditure incurred during the year under review, contrary to the requirements of section 125(2)(d) of the MFMA.
70. The municipality operated without an approved delegation of authority, thus expenditure approved by a person other than the accounting officer was deemed irregular expenditure, contrary to the requirements of section 79 of the MFMA.
71. Goods and services with a transaction value of between R2 000 and R10 000 were procured without obtaining written and verbal quotations, contrary to requirements of the SCM regulations 12(1)(b) and 16(a).
72. Goods and services with a transaction value of between R10 000 and R200 000 were procured without obtaining written quotations from at least three accredited suppliers, contrary to the requirements of the SCM regulation 12(1)©.
73. Goods and services procured through a competitive bids process for awards above R10 million were advertised for a period shorter than 30 days in a local newspaper, contrary to the requirements of the SCM regulation 22(1)(b).
74. The performance of contractors was not monitored on a monthly basis, contrary to the requirements of section 116(2)(b) of the MFMA.
75. The contracts were amended or extended without approval by a delegated official and no supporting evidence exists as to the extension of the contracts, contrary to the requirements of the SCM regulation 5.

Human resource management

76. The municipal manager did not provide a copy of the code of conduct to every staff member of the municipality as no evidence exists that such was acknowledged by the staff members of the municipality, contrary to the requirements of section 70(1) of the MSA.

Expenditure management

77. The accounting officer did not take reasonable steps in ensuring that unauthorized, irregular, fruitless and wasteful expenditure was prevented. No register was developed to identify and report on unauthorized, irregular, fruitless and wasteful expenditure and no indication existed that the mayor, MEC of local government and the auditor-general were informed, in writing, of any fruitless and wasteful expenditure incurred, contrary to requirements of section 32 of the MFMA.

78. The municipality did not pay all its invoices within 30 days of receipt of such invoice resulting in fruitless and wasteful expenditure incurred as a result of interests and penalties charged by the suppliers, contrary to requirements of section 65(2) of the MFMA. The accounting officer did not take reasonable steps to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
79. Sufficient appropriate audit evidence could not be obtained that payments were approved by the accounting officer or a properly authorized official as required by section 11(1) of the MFMA.
80. Goods and services with a transaction value of between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of SCM regulations 17(a) and (c).
81. Sufficient appropriate audit evidence could not be obtained that goods and services of a transaction value above R200 000 were procured by means of inviting competitive bids as per the requirements of SCM regulations 19(a) and 36(1).
82. Sufficient appropriate audit evidence could not be obtained that bid specifications for procurement of goods and services through competitive bids were drafted in an unbiased manner that allowed all potential suppliers to offer their goods or services as per the requirements of SCM regulation 27(2)(a).
83. Invitation for competitive bidding was not always advertised for a required minimum period of days as per the requirements of SCM regulations 22(1) and 22(2).
84. Awards were made to suppliers who did not submit a declaration on their employment by the state or their relationship to a person employed by the state as per the requirements of SCM regulation 13©.
85. The performance of contractors or providers was not monitored on a monthly basis as required by section 116(2)(b) of the MFMA.
86. The municipality did not implement a SCM policy as required by section 111 of the MFMA.
87. Contracts were extended or modified to the extent that competitive bidding processes were being circumvented contrary to the requirement of a fair SCM system in section 112 of the MFMA.
88. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds, as required by section 65(2)(a) of the MFMA.

Conditional grants

89. The municipality did not maintain a management, accounting and information system which recognizes revenue when it is earned, accounts for debtors, accounts for receipts of revenue, maintains a system of internal control in respect of debtors and revenue as outstanding grants were not followed up, contrary to requirements of sections 64(2)(f) and (g) of the MFMA.

Revenue management

90. The municipality did not comply with the provision of section 64(2)(a) of the MFMA and section 96(a) of the MSA as there was no effective revenue collection system in place to ensure that the municipality collected all money that was due and payable to it. Interests and

penalties were not charged on outstanding debtors.

91. The municipality did not maintain a management, accounting and information system which recognizes revenue when it is earned, accounts for debtors, accounts for receipts of revenue, maintains a system of internal control in respect of debtors and revenue as the reconciliation between the prepaid electricity system and the accounting system was not maintained, rental agreements were not maintained and receipts were not reconciled for

completeness, contrary to requirements of sections 64(2)(e)(f) and (g) of the MFMA.

92. The municipal council did not annually review the rates policy, contrary to requirements of section 5(1) of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

Asset management

93. The accounting officer did not take all reasonable steps in ensuring that the municipality had and maintained a management, accounting and information system that accounted for assets as the asset register did not meet all the requirements of the reporting standards, and assets of a capital nature were expensed as repairs and maintenance, contrary to requirements of sections 63(2)(a) and (c) of the MFMA.

INTERNAL CONTROL

94. In accordance with the PAA and in terms of General notice 111 of 2010, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for disclaimer of opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

95. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls. The leadership did not ensure that there were processes to ensure reviews were implemented before submission of information as material errors were detected in the financial statements and non-compliance with laws and regulations and internal control deficiencies were noted throughout the audit process.
96. The leadership of the municipality did not set the correct tone at the top. Senior management did not adhere to internal controls, which resulted in unauthorized and irregular expenditure not detected by management and non-compliance with relevant laws and regulations.
97. The lack of decisive action to mitigate emerging risks, implement timely corrective measures and address non-performance was evidenced by the failure of management to adequately address the external audit findings in a timely manner. The municipality failed to properly analyse the control weaknesses and implement appropriate follow-up actions that adequately addressed the root cause. This resulted in the audit findings in the prior year report being recurring in the current year.

Financial and performance management

98. The accounting officer did not prepare regular, accurate and complete financial statements that were supported and evidenced by reliable information and did not review and monitor compliance with laws and regulations.

99. Finance staff did not fully interpret the requirements of the accounting framework. This contributed towards the numerous qualifications in the financial statements of the municipality. Consultants were appointed to assist with the compilation of financial statements.
100. Inadequate filing procedures at the municipality have resulted in limitations of scope during the current and previous year's audits. As a result significant difficulties were experienced in respect of the availability of information.
101. The financial statements were not properly reviewed for completeness and accuracy prior to submission for auditing. This resulted in many findings relating to incorrect disclosure.
102. Effective performance systems, processes and procedures as well as the management thereof had not been adequately implemented. Documentation supporting amounts disclosed was not available.

Governance

103. The municipality did not implement appropriate risk management activities to ensure that regular risk assessments, including consideration of information technology risks and fraud prevention, were conducted and that a risk strategy to address the risks was developed and monitored.
104. The municipality utilizes the share audit committee with John Taolo Gaetsewe District Municipality. The shared service audit committee did not ensure that there was an adequately resourced and functioning internal audit that identifies internal control deficiencies and recommends corrective action effectively. The annual performance report in place was not reviewed and deficiencies not identified for corrective measures. The audit committee has therefore not fulfilled its mandate and functions as outlined in the MFMA.
105. The municipality utilizes the shared internal audit unit with John Taolo Gaetsewe District Municipality. The internal audit function did not institute a risk based approach and the risk assessment conducted did not highlight and address risks pertaining to the municipality. Performance information was not audited during the year as required resulting in material deficiencies identified during the audit.

OTHER REPORTS

Investigations

106. A court order directed the Office of the Auditor-General to investigate alleged irregularities with regard to procurement and contract management. The investigation has not been completed at the date of this report.
107. An investigation was conducted by an outsourced firm to report on the reconciliation and analysis of prior period un-reconciled inventory. The report has been finalized indicating a loss of over R2 500 000. No actions have been taken by the municipality on the above during the date of this report.

Kimberley
30 November 2011

Chapter 7

Annual Financial Statements for the 2011/12 Financial Year





Ga-Segonyana Local Municipality

(Demarcation code NC452)

Audited Annual financial statements
for the year ended 30 June 2012

Ga-Segonyana Local Municipality

(Demarcation code NC452)

Audited Annual Financial Statements for the year ended 30 June 2012

General Information

Legal form of entity	Local Municipality
Nature of business and principal activities	Local municipal functions as set out in the Constitution. (Act no 105 of 1996)
Jurisdiction	The municipality includes the following areas: Kuruman
Grading of local authority	Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)
Accounting Officer	G.E. Ntefang (Municipal Manager)
Chief Finance Officer (CFO)	M.I. Semana
Registered office	Corner of Voortrekker & Skool Street Kuruman 8460
Business address	Corner of Voortrekker & Skool Street Kuruman
Postal address	Private Bag X1522 Kuruman 8460
Principal bankers	ABSA Bank, Kuruman
Auditors	Auditor General of South Africa (Northern Cape office)
Relevant legislation	Municipal Finance Management Act (Act no 56 of 2003) Division of Revenue Act The Income Tax Act Value Added Tax Act Municipal Structures Act (Act no 117 of 1998) Municipal Systems Act (Act no 32 of 2000) Municipal Planning and Performance Management Regulations Water Services Act (Act no 108 of 1997) Housing Act (Act no 107 of 1997) Municipal Property Rates Act (Act no 6 of 2004) Electricity Act (Act no 41 of 1987) Skills Development Levies Act (Act no 9 of 1999) Employment Equity Act (Act no 55 of 1998) Unemployment Insurance Act (Act no 30 of 1966) Basic Conditions of Employment Act (Act no 75 of 1997) Supply Chain Management Regulations, 2005 Collective Agreements Infrastructure Grants SALBC Leave Regulations

Ga-Segonyana Local Municipality

(Demarcation code NC452)

Audited Annual Financial Statements for the year ended 30 June 2012

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Ga-Segonyana Local Municipality

(Demarcation code NC452)

Audited Annual Financial Statements for the year ended 30 June 2012

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Ga-Segonyana Local Municipality

(Demarcation code NC452)

Audited Annual Financial Statements for the year ended 30 June 2012

Councillors

Members of the Ga-Segonyana Local Municipality

Ward	Councillor	Ward (continued)	Councillor (continued)
Ward 1	F.P. Byleveld	Proportional	B.A. Motlatsi
Ward 2	M.C. Leberegeane	Proportional	G.C. Assegai
Ward 3	N.G. Morogong	Proportional	T.G. Anthony
Ward 4	P.Q. Mogatle	Proportional	K.A. Keikabile
Ward 5	N.G. Disipi	Proportional	K.R. Makwati
Ward 6	T.T. Tlholonyane	Proportional	K.B. Madikiza
Ward 7	M.J. Polelo	Proportional	N.S. Bloem
Ward 8	T.H. Lekgetho	Proportional	K. Bless
Ward 9	L.C. Rapelang	Proportional	B.E. Modise
Ward 10	B.M. Mosegedi	Proportional	N.G. Thupaemang
Ward 11	T.E. Meyers	Proportional	M.A.P. Brink
Ward 12	L.S. Motingwe	Proportional	R.R. Molelekwa
Ward 13	S.M. Rayn		

Portfolios

Mayor

Cllr. T.G. Anthony

Speaker

Cllr. T.E. Meyers

IDP Standing Committee

Cllr T.G. Anthony (Chairperson)

Cllr N.S. Bloem

Cllr T.H. Lekgetho

Cllr K.R. Makwati

Cllr R.R. Molelekwa

Cllr M.J. Polelo

Human Resources Standing Committee

Cllr B.E. Modise (Chairperson)

Cllr K. Bless

Cllr M.A.P. Brink

Cllr K.B. Madikiza

Cllr B.M. Mosegedi

Cllr T.T. Tlholonyane

Executive Committee

Cllr T.G. Anthony (Chairperson)

Cllr F.P. Byleveld

Cllr K.A. Keikabile

Cllr B.E. Modise

Finance Standing Committee

Cllr K.A. Keikabile (Chairperson)

Cllr P.Q. Mogatle

Cllr B.A. Motlatsi

Cllr N.G. Morogong

Cllr L.S. Motingwe

Cllr N.G. Thupaemang

Community Services Standing Committee

Cllr F.P. Byleveld (Chairperson)

Cllr G.C. Assegai

Cllr N.G. Disipi

Cllr M.C. Leberegeane

Cllr L.C. Rapelang

Cllr S.M. Rayn

Ga-Segonyana Local Municipality

(Demarcation code NC452)

Audited Annual Financial Statements for the year ended 30 June 2012

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the unaudited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the unaudited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the unaudited annual financial statements and was given unrestricted access to all financial records and related data.

The unaudited annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The unaudited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.


The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the unaudited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2013 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's unaudited annual financial statements. The unaudited annual financial statements have been examined by the municipality's external auditors and their report is presented on page 6.

The unaudited annual financial statements set out on pages 6 to 69, which have been prepared on the going concern basis, were approved by the municipality on 31 August 2012 and were signed on its behalf by:


G.E Ntefang
Municipal Manager

Ga-Segonyana Local Municipality

(Demarcation code NC452)

Audited Annual Financial Statements for the year ended 30 June 2012

Statement of Financial Position

Figures in Rand		Note(s)	2012	2011	
Assets					
Current Assets					
Inventories	<u>30.20</u>	11	3,006,893	6,738,543	✓
Operating lease asset	<u>25.29</u>	7	(1,978)	1,978	✓
Receivables from exchange transactions	<u>31.20</u>	12	98,012	98,012	1 ✓
Other receivables from non-exchange transactions	<u>33.20</u>	13	7,483,220	3,160,761	2 ✓
VAT receivable	<u>31.20</u>	14	7,197,714	4,067,905	✓
Consumer debtors	<u>31.20</u>	15	7,377,364	11,713,848	3 ✓
Cash and cash equivalents	<u>32.20</u>	16	16,863,879	7,471	✓
			42,025,104	25,788,518	
Non-Current Assets					
Investment property	<u>21.20</u>	3	1,601,700	1,618,560	4 ✓
Property, plant and equipment	<u>20.20</u>	4	957,566,061	952,049,475	5 ✓
Intangible assets	<u>23.22</u>	5	93,488	199,706	6 ✓
Other financial assets	<u>25.26-28</u>	6	222	222	✓
Long-Term Receivables	<u>27.27</u>	10	465,395	551,241	✓
			959,726,866	954,419,204	
Total Assets			1,001,751,970	980,207,722	
Liabilities					
Current Liabilities					
Other financial liabilities	<u>41.27-28</u>	17	2,003,255	2,839,157	7 ✓
Finance lease obligation	<u>25.29</u>	18	264,501	258,999	8 ✓
Payables from exchange transactions	<u>51.20</u>	21	4,948,827	3,625,506	✓
Consumer deposits	<u>51.20</u>	22	2,192,025	1,831,834	✓
Retirement benefit obligation	<u>27.22</u>	8	363,463	228,910	9 ✓
Unspent conditional grants and receipts	<u>43.20</u>	19	11,586,053	3,099,334	✓
Provisions	<u>52.20</u>	20	1,738,660	-	10 ✓
Other short-term employee benefits	<u>43.27</u>	9	1,318,979	1,267,394	
Bank overdraft	<u>32.20</u>	16	-	2,334,704	✓
			24,415,763	15,485,838	
Non-Current Liabilities					
Other financial liabilities	<u>41.27-28</u>	17	28,037,262	30,093,426	11 ✓
Finance lease obligation	<u>25.29</u>	18	863,524	840,896	12 ✓
Retirement benefit obligation	<u>27.22</u>	8	9,757,674	8,477,674	✓
			38,658,460	39,411,996	
Total Liabilities			63,074,223	54,897,834	
Net Assets			938,677,747	925,309,888	
Net Assets					
Accumulated surplus	<u>40.24</u>		938,677,747	925,309,888	13 ✓

Ga-Segonyana Local Municipality

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Audited Annual Financial Statements for the year ended 30 June 2012

Statement of Financial Performance

Figures in Rand	Note(s)	2012	2011
Revenue			
Property rates	24	14,823,008	13,030,789
Service charges	25	80,915,552	64,223,908
Rental of facilities and equipment		1,666,502	1,649,774
Dividends received		296	104
Income from agency services		1,267,224	1,042,245
Fines		4,082,812	1,344,567
Licences and permits		1,774,889	1,507,401
Government grants & subsidies	26	128,456,653	108,371,985
Miscellaneous other revenue		3,854,231	5,397,045
Third party payments		377,451	196,594
Interest received (investment, trade and other receivables)	31	1,873,025	1,662,055
Interest received - other	31	1,154,184	452,698
Total Revenue	23	240,245,827	198,879,165
Expenditure			
Personnel	29	(42,726,261)	(36,586,988)
Remuneration of councillors	30	(5,529,825)	(5,266,644)
Depreciation and amortisation	33	(41,879,896)	(40,470,676)
Impairments	34	(8,420,370)	(2,257,783)
Finance costs	35	(3,929,148)	(4,117,633)
Repairs and maintenance		(19,927,352)	(19,722,687)
Bulk purchases	39	(41,533,132)	(30,543,229)
Grants and subsidies paid	38	(21,654,250)	(31,234,716)
General Expenses	27	(40,687,425)	(35,929,844)
Total Expenditure		(226,287,659)	(206,130,200)
Fair value adjustments	32	(590,316)	(970,499)
Surplus (deficit) for the year		13,367,852	(8,221,534)

Ga-Segonyana Local Municipality

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Audited Annual Financial Statements for the year ended 30 June 2012

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	982,860,055	982,860,055
Adjustments		
Prior year adjustments	(49,285,828)	(49,285,828)
Balance at 01 July 2010 as restated	933,574,227	933,574,227
Changes in net assets		
Transfer from long term debtors	(42,805)	(42,805)
Net income (losses) recognised directly in net assets	(42,805)	(42,805)
Surplus for the year	(8,221,534)	(8,221,534)
Total recognised income and expenses for the year	(8,264,339)	(8,264,339)
Total changes	(8,264,339)	(8,264,339)
Balance at 01 July 2011	925,309,895	925,309,895
Changes in net assets		
Surplus for the year	13,367,852	13,367,852
Total changes	13,367,852	13,367,852
Balance at 30 June 2012	938,677,747	938,677,747
Note(s)		

Ga-Segonyana Local Municipality

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Audited Annual Financial Statements for the year ended 30 June 2012

Cash Flow Statement

Figures in Rand	Note(s)	2012	2011
Cash flows from operating activities			
Receipts			
Taxation and service and other revenue		115,308,192	80,794,043
Grants		128,071,055	108,371,985
Interest income		3,027,209	2,114,753
Dividends received		296	104
		246,406,752	191,280,885
Payments			
Suppliers and employees		(164,728,494)	(155,786,138)
Finance costs		(3,799,055)	(3,984,243)
		(168,527,549)	(159,770,381)
Undefined difference compared to the cash generated from operations note		1	-
Net cash flows from operating activities	40	77,879,204	31,510,504
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(47,768,006)	(31,457,329)
Purchase of other intangible assets	5	(21,930)	-
Proceeds from sale of financial assets		-	276
Purchase of long-term receivables		-	(38,781)
Proceeds from sale of long-term receivables		85,846	-
Purchase of other asset 2		(7,989,489)	(2,165,720)
Net cash flows from investing activities		(55,693,875)	(33,661,658)
Cash flows from financing activities			
Repayment of other financial liabilities		(2,892,066)	(4,701,744)
Finance lease payments		(101,963)	712,855
Net cash flows from financing activities		(2,994,029)	(3,988,889)
Net increase/(decrease) in cash and cash equivalents		19,191,300	(6,140,043)
Cash and cash equivalents at the beginning of the year		(2,327,233)	3,812,812
Cash and cash equivalents at the end of the year	16	16,864,067	(2,327,231)

Ga-Segonyana Local Municipality

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Audited Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1. Basis of Preparation

The unaudited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These unaudited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

1.2 Going concern assumption

These annual financial statements have been prepared on a going concern basis.

1.3 Comparative information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

As noted below, GRAP 24 is not effective yet, however budget information required in terms of GRAP 1 paragraph 11 to 14 have been disclosed in the financial statements.

1.4 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.5 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. In general, materiality is determined as 1% of total expenditure.

1.6 Leases

Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

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Audited Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.6 Leases (continued)

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.7 Conditional grants and receipts

Revenue received from conditional government grants, subsidies and donations from the public are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability (Unspent conditional grants and receipts) is recognised.

The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.8 Provisions

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is one that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

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Audited Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.8 Provisions (continued)

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Provisions are not recognised for future operating deficits. The present obligation (net of recoveries) under an onerous contract is recognised and measured as a provision.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible. Contingencies are disclosed in note 42.

1.9 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Post Retirement Medical obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

Long Service awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

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Audited Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.9 Employee benefits (continued)

Performance bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.10 Property, plant and equipment

Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent measurement - revaluation model

Subsequent to initial recognition, Property, Plant and Equipment are carried at a revalued amount, unless otherwise stated in the relevant Notes to the Financial Statements, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Subsequent measurement - cost model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

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Audited Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.10 Property, plant and equipment (continued)

Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives

Infrastructure	Years	Other	Years
Roads and Paving	4-100	Buildings	30
Refuse	15-100	Specialist vehicles	10-20
Electricity	5-50	Other vehicles	5-20
Water	4-100	Office equipment	3-20
Sewerage	5-100	Furniture and fittings	3-20
Housing	5-30	Watercraft	15
		Bins and containers	5
Community	5-30	Specialised plant and equipment	10-15
Buildings	5-30	Other plant and equipment	3-20
Recreational Facilities	5-30	Landfill sites	15
Security	5-30	Quarries	25
Halls	5-30	Emergency equipment	5-20
Libraries	5-30	Computer equipment	5-20
Parks and gardens	5-30		
Other assets	5-30		
Finance lease assets			
Office equipment	3-5		
Other assets	3-5		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Land and buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2008. For Other Assets the depreciated cost method was used to establish the deemed cost as on 1 July 2008.

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Audited Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.10 Property, plant and equipment (continued)

1.11 Intangible assets

Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the Municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Subsequent Measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	Years
Computer Software	3-5
Computer System	5-10

De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

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Audited Annual Financial Statements for the year ended 30 June 2012

Accounting Policies

1.11 Intangible assets (continued)

Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciated cost method was used to establish the deemed cost as on 1 July 2008.

1.12 Investment property

Initial Recognition

Investment property shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The cost of self-constructed investment property is the cost at date of completion.

Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis:

Investment Property	Years
Buildings	30

De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

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1.12 Investment property (continued)

Application of deemed cost - Directive 7

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2008.

1.13 Non-current assets held for sale

Initial Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification

Subsequent Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.14 Impairment of cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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1.14 Impairment of cash-generating assets (continued)

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follow:

1.15 Non-current investments

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.16 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

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1.16 Impairment of non-cash-generating assets (continued)

- depreciated replacement cost approach - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- restoration cost approach - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- service unit approach - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.17 Inventories

Initial recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Subsequent measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

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1.17 Inventories (continued)

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.18 Financial instruments

Financial instruments recognised on the Statement of Financial Position include trade and other receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and trade and other payables.

Initial recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

Subsequent measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

Investments: Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairments and is calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance. The balance as at 30 June included accumulated interest.

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1.18 Financial instruments (continued)

Trade and other receivables: Trade and other receivables are classified as loans and receivables, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

Trade and Other Payables and Annuity Loans: Financial liabilities consist of trade and other payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

Cash and Cash Equivalents: Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

De-recognition of financial instruments

Financial Assets: A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

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1.18 Financial instruments (continued)

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial Liabilities: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

1.19 Revenue from exchange transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised based on an estimation of future collections of fines issued based on prior period trends and collection percentages.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

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1.19 Revenue from exchange transactions (continued)

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.20 Revenue from non-exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sewerage are recognised on a monthly basis in arrears by applying the approved tariff. Tariffs are determined per category.

Service charges from sewerage are based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

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1.20 Revenue from non-exchange transactions (continued)

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

Grants, Transfers and Donations (Non-Exchange Revenue)

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.21 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

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1.22 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.23 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Management judgement is required when recognising and measuring contingent liabilities.

1.25 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26 Presentation of budget information

The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury. The presentation of budget information is in line with the basis of accounting as per the GRAP Framework. GRAP 24: Presentation of Budget Information in Financial Statements is not yet effective. This standard brings new rules in respect of presentation of budget information.

1.27 Significant judgements and estimates

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

Post retirement medical obligations, Long service awards and Ex gratia gratuities

The cost of post retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

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Accounting Policies

1.27 Transfer of functions between entities under common control (continued)

Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Property, plant and equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Intangible assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciated cost method which was based on assumptions about the remaining duration of the assets.

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Revenue Recognition

The accounting policies on revenue describe the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.28 Amended disclosure policy

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

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Accounting Policies

1.29 Tax

Value Added Tax

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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Notes to the audited Annual Financial Statements

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2. New standards and interpretations

2.1 Standards and Interpretations early adopted

The municipality has chosen to early adopt the following standards and interpretations:

All the standards listed in this section were early-adopted in prior year. Their continued use will not have any impact that is at variance with the prior year

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 23: Revenue from Non-exchange Transactions	01 April 2012	N/A
• GRAP 21: Impairment of non-cash-generating assets	01 April 2012	N/A
• GRAP 26: Impairment of cash-generating assets	01 April 2012	N/A
• GRAP 25: Employee benefits	01 April 2013	N/A
• GRAP 104: Financial Instruments	01 April 2012	N/A

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2012 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 18: Segment Reporting	01 April 2013	Information to a large extent is already included in the notes to the annual financial statements.
• GRAP 24: Presentation of Budget Information in the Financial Statements	01 April 2012	Information to a large extent is already included in the notes to the annual financial statements.
• GRAP 103: Heritage Assets	01 April 2012	Heritage assets are included in PPE and will be moved to Heritage assets with implementation 30 June 2013.
• IGRAP 7: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01 April 2013	N/A to the municipality's current financial position
• GRAP 105: Transfers of functions between entities under common control	01 April 2014	N/A to the municipality's current and planned operations
• GRAP 106: Transfers of functions between entities not under common control	01 April 2014	N/A to the municipality's current and planned operations
• GRAP 107: Mergers	01 April 2014	N/A to the municipality's current and planned operations

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3. Investment property

	2012			2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	1,686,000	(84,300)	1,601,700	1,686,000	(67,440)	1,618,560

Reconciliation of investment property - 2012

	Opening balance	Depreciation	Total
Investment property	1,618,560	(16,860)	1,601,700

Reconciliation of investment property - 2011

	Opening balance	Depreciation	Total
Investment property	1,635,420	(16,860)	1,618,560

Fair value of investment properties	1,686,000	1,616,000
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Details of valuation

Fair value was determined by valuation roll of 1 July 2009.

Cost module is being used for Investment Properties.

Amounts recognised in surplus and deficit for the year.

Investment property located in (a foreign country: specify) is governed by that country's exchange controls and therefore the rental income and proceeds from any sale of that investment property are not available to the municipality:

There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.



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Figures in Rand 2012 2011

4. Property, plant and equipment

	2012			2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	44,330,900	-	44,330,900	44,330,900	-	44,330,900
Buildings	15,372,264	(294,708)	15,077,556	13,598,287	(226,473)	13,371,814
Infrastructure - Road network	210,450,781	(38,564,698)	171,886,083	210,450,781	(30,841,970)	179,608,811
Infrastructure - Other	69,241,574	(15,952,933)	53,288,641	69,241,574	(12,762,346)	56,479,228
Infrastructure - Sanitation network	85,882,962	(13,929,834)	71,953,128	85,581,775	(11,112,757)	74,469,018
Infrastructure - Electricity network	326,080,823	(57,222,567)	268,858,256	315,536,575	(45,677,655)	269,858,920
Infrastructure - Water network	374,456,852	(54,733,337)	319,723,515	343,254,827	(42,162,159)	301,092,668
Leased office equipment	2,026,548	(900,527)	1,126,021	1,730,661	(670,193)	1,060,468
Plant and equipment	8,406,668	(5,863,213)	2,543,455	7,598,288	(4,977,497)	2,620,791
Furniture and fixtures	6,066,310	(4,739,682)	1,326,628	5,990,157	(4,186,710)	1,803,447
Office equipment	5,349,395	(4,305,934)	1,043,461	5,293,409	(3,786,071)	1,507,338
Watercraft	1,185	(783)	402	1,185	(723)	462
Emergency equipment	119,105	(60,337)	58,768	119,105	(49,275)	69,830
Motor vehicles	15,104,882	(8,791,434)	6,313,448	13,473,463	(7,754,217)	5,719,246
Bins and containers	315,875	(280,076)	35,799	315,875	(259,341)	56,534
Total	1,163,206,124	(205,640,063)	957,566,061	1,116,516,862	(164,467,387)	952,049,475

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Additions through entity combinations	Other changes, movements	Depreciation	Total
Land	44,330,900	-	-	-	-	44,330,900
Buildings	13,371,814	1,773,978	-	-	(68,236)	15,077,556
Infrastructure - Road network	179,608,811	-	-	-	(7,722,728)	171,886,083
Infrastructure - Other	56,479,228	-	-	-	(3,190,587)	53,288,641
Infrastructure - Sanitation network	74,469,018	301,188	-	-	(2,817,078)	71,953,128
Infrastructure - Electricity network	269,858,920	10,544,247	-	-	(11,544,911)	268,858,256
Infrastructure - Water network	301,092,668	31,202,025	-	-	(12,571,178)	319,723,515
Leased office equipment	1,060,468	350,604	-	-	(285,051)	1,126,021
Plant and equipment	2,620,791	813,381	(2,720)	-	(887,997)	2,543,455
Furniture and fixtures	1,803,447	78,301	(1,331)	-	(553,789)	1,326,628
Office equipment	1,507,338	279,585	(126,301)	-	(617,161)	1,043,461
Watercraft	462	-	-	-	(60)	402
Emergency equipment	69,830	-	-	-	(11,062)	58,768
Motor vehicles	5,719,246	2,955,974	(400,925)	(461,815)	(1,499,032)	6,313,448
Bins and containers	56,534	-	-	-	(20,735)	35,799
Total	952,049,475	48,299,283	(531,277)	(461,815)	(41,789,605)	957,566,061

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Figures in Rand	2012	2011
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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Other changes, movements	Depreciation	Total
Land	44,330,900	-	-	-	44,330,900
Buildings	5,790,202	7,638,391	-	(56,779)	13,371,814
Infrastructure - Road network	187,331,540	-	-	(7,722,729)	179,608,811
Infrastructure - Other	59,669,814	-	-	(3,190,586)	56,479,228
Infrastructure - Sanitation network	77,286,723	-	-	(2,817,705)	74,469,018
Infrastructure - Electricity network	276,113,808	5,173,126	-	(11,428,014)	269,858,920
Infrastructure - Water network	295,630,847	16,701,528	-	(11,239,707)	301,092,668
Leased office equipment	258,667	1,182,891	-	(381,090)	1,060,468
Plant and equipment	3,090,635	214,100	-	(683,944)	2,620,791
Furniture and fixtures	2,113,779	308,424	-	(618,756)	1,803,447
Office equipment	1,919,376	224,005	-	(636,043)	1,507,338
Watercraft	523	-	-	(61)	462
Emergency equipment	65,342	14,864	-	(10,376)	69,830
Motor vehicles	7,344,894	-	(285,000)	(1,340,648)	5,719,246
Bins and containers	80,213	-	-	(23,679)	56,534
	961,027,263	31,457,329	(285,000)	(40,150,117)	952,049,475

5. Intangible assets

	2012			2011		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1,996,499	(1,903,011)	93,488	1,974,569	(1,774,863)	199,706

Reconciliation of intangible assets - 2012

	Opening balance	Additions	Amortisation	Total
Computer software, other	199,706	21,930	(128,148)	93,488

Reconciliation of intangible assets - 2011

	Opening balance	Amortisation	Total
Computer software, other	332,103	(132,397)	199,706

Pledged as security

There are no intangible assets pledged as security for liabilities

Restricted title

There are no intangible assets whose title is restricted.

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Notes to the audited Annual Financial Statements

Figures in Rand	2012	2011
5. Intangible assets (continued)		
Other information		
No intangible asset were assessed as having an indefinite useful life.		
There are no contractual commitments for the acquisition of intangible assets.		
6. Other financial assets		
Investments		
Investments in listed shares	222	222
Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to these shares.		
Non-current assets		
Investments in listed shares	222	222
7. Operating lease asset (accrual)		
Non-current assets	-	-
Current assets	(1,978)	1,978
Non-current liabilities	-	-
	(1,978)	1,978
Movements		
Opening balance	1,978	1,961
Movement during the year	(1,978)	17
Undefined Difference	(1,978)	-
	(1,978)	1,978

Details of operating lease commitments are provided in note 41

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Notes to the audited Annual Financial Statements

Figures in Rand	2012	2011
8. Employee benefit obligations		
8.1 Balances and movements		
The amounts recognised in the statement of financial position are as follows:		
Total employee benefit obligations		
Post retirement benefits	8,624,881	7,399,434
Long service awards	1,496,256	1,307,150
	10,121,137	8,706,584
Non-current liabilities		
Post retirement benefits	8,492,344	7,275,990
Long service awards	1,265,330	1,201,684
	9,757,674	8,477,674
Current liabilities		
Post retirement benefits	132,537	123,444
Long service awards	230,926	105,466
	363,463	228,910
Changes in the present value of the employee benefit obligation are as follows:		
Total employee benefit obligation:		
Opening balance	8,706,584	7,153,626
Contribution for the year	1,643,463	1,417,234
Expenditure for the year	(825,963)	(834,775)
Actuarial Loss/(Gain)	597,053	970,499
	10,121,137	8,706,584
Post retirement benefits		
Opening balance	7,399,434	5,975,191
Contribution for the year	1,348,891	1,106,408
Expenditure for the year	(755,471)	(647,930)
Actuarial Loss/(Gain)	632,027	965,765
	8,624,881	7,399,434
Long service awards		
Opening balance	1,307,150	1,178,435
Contribution for the year	294,572	310,826
Expenditure for the year	(70,492)	(186,846)
Actuarial Loss/(Gain)	(34,974)	4,735
	1,496,256	1,307,150

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Notes to the audited Annual Financial Statements

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8. Employee benefit obligations (continued)**8.2 Post retirement benefits**

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

Type of member	Number of Members	Number of Members
In-service (employee) members	120	120
Continuation members (e.g. Retirees, widows, orphans)	5	5
	125	125

The liability in respect of past service has been estimated to be as follows:

	Rand	Rand
In-service (employee) members	7,147,128	5,921,681
Continuation members (e.g. Retirees, widows, orphans)	1,477,753	1,477,753
	8,624,881	7,399,434

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- LA Health
- KeyHealth
- Hosmed; and
- Samwumed

Key actuarial assumptions used

Assumptions used at the reporting date are as follows:

Discount rates used	8.81 %	8.81 %
Health Care Cost Inflation Rate	7.37 %	7.37 %
Net Effective Discount Rate	1.35 %	1.35 %

- Mortality rates used by the actuaries are based on the PA 90 ultimate table, rated down by 1 year of age
- for the normal retirement age it has been assumed that in-service members will retire at ages 65 (male) and 65 (female), which then implicitly allows for expected rates of early and ill-health retirement.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of post retirement benefits obligations		
Non-current liabilities	8,492,344	7,275,990
Current liabilities	132,537	123,444
	8,624,881	7,399,434

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

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Notes to the audited Annual Financial Statements

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8. Employee benefit obligations (continued)**Reconciliation of present value of (Post Retirement Benefits) fund obligation:**

Opening balance	7,399,434	5,975,191
Net expense recognised in the statement of financial performance	1,225,447	1,424,243
	8,624,881	7,399,434

Net expense recognised in the statement of financial performance

Current service cost	702,046	573,565
Interest cost	646,845	532,843
Actuarial (gains) losses	632,027	965,765
Benefits Paid	(755,471)	(647,930)
	1,225,447	1,424,243

Sensitivity Analysis on the Accrued Liability

Key assumptions have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in these assumptions would have the following effects: Additional text

Assumption	Change	Total liability (Rand)	% change
Central assumption	nil	7,399,434	- %
Health care inflation	1	8,785,000	19.00 %
Health care inflation	-1	6,298,000	(15.00)%
Post-retirement mortality	-1 year	7,671,000	4.00 %
Average retirement age	-1 year	7,935,000	7.00 %
Withdrawal Rate	-50	7,986,000	8.00 %
		46,074,434	23.00 %

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8. Employee benefit obligations (continued)**8.3 Long service bonuses**

The Long Service Bonus plans are defined benefit plans. Total employees eligible for Long Service Bonuses were as follows.

	Number in current year	Number in prior year
Eligible employees	120	120
	120	120

Key actuarial assumptions used

Assumptions used at the reporting date are as follows:

Discount rates used	7.89 %	7.89 %
General Salary Inflation (long-term)	6.30 %	6.30 %
Net Effective Discount Rate applied to salary-related Long Service Bonuses	1.49 %	1.49 %

- Mortality rates used by the actuaries are based on the PA 90 ultimate table, rated down by 1 year of age
- for the normal retirement age it has been assumed that in-service members will retire at ages 65 (male) and 65 (female), which then implicitly allows for expected rates of early and ill-health retirement.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of post retirement benefits obligations

Non-current liabilities	1,265,330	1,201,684
Current liabilities	230,926	105,466
	1,496,256	1,307,150

Reconciliation of present value of (Post Retirement Benefits) fund obligation:

Opening balance	1,307,150	1,178,435
Net expense recognised in the statement of financial performance	189,106	128,715
	1,496,256	1,307,150

Net expense recognised in the statement of financial performance

Current service cost	195,569	221,237
Interest cost	99,003	89,589
Actuarial (gains) losses	(34,974)	4,735
Benefits Paid	(70,492)	(186,846)
	189,106	128,715

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8. Employee benefit obligations (continued)**Sensitivity Analysis on the Unfunded Accrued Liability**

Key assumptions have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in these assumptions would have the following effects:

Assumption	Change	Total liability (Rand)	% change
Central Assumptions	nil	294,572	- %
General salary inflation	-1	318,546	8.00 %
General salary inflation	-1	273,267	- %
Average retirement age	-2 years	271,925	(8.00)%
Average retirement age	-2 years	314,821	7.00 %
Withdrawal Rate	-50	370,165	26.00 %

9. Other short-term employee benefits

Staff leave	1,318,979	1,267,394
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The movement in other short term employee benefits are reconciled as follows:

Opening balance	1,267,394	1,104,346
Contribution for the year	674,259	600,997
Expenditure for the year	(622,674)	(437,949)
	1,318,979	1,267,394

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

10. Long-Term Receivables

Trade and other receivables with arrangements	10,180	81,586
Housing loans	455,215	469,655
	465,395	551,241

Trade and other receivables with arrangements: When the public has outstanding service accounts that can not be paid in full, they make arrangements with Ga-Segonyan Municipality to pay their accounts at a fixed instalment over a period. Arrangements are repayable up to the year 2013.t

Housing loans: housing loans are not granted to officials of the municipality. The outstanding amount relates to prior years and is still collectable. Personnel were entitled to loans which attract interest at 6-8% per annum and which are repayable over a maximum period of 40 years. These loans are repayable up to the year 2024.

11. Inventories

Consumable stores and fuel at cost	3,006,893	6,738,543
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12. Receivables from exchange transactions

Employee costs in advance	15,824	15,824
Deposits	82,188	82,188
	98,012	98,012

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2012, R - (2011: R 98,012) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due	-	98,012
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Ageing of receivables from exchange transactions**Receivables from exchange transactions**

Current (0 -30 days)	-	-
31 - 60 days	-	-
61 - 90 days	-	-
> 90 days	98,012	98,012
	98,012	98,012

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13. Other receivables from non-exchange transactions

Taxes - Rates	7,614,328	5,792,703
Unpaid Conditional Government Grants and Receipts	-	829,321
Other	3,464,664	2,959,149
Impairment	(3,595,772)	(6,420,412)
	7,483,220	3,160,761

Ageing of other receivables from non-exchange transactions**Taxes - Rates**

Current (0 -30 days)	-	(567)
31 - 60 days	198,194	147,767
61 - 90 days	146,406	102,997
> 90 days	7,269,728	5,542,506
	7,614,328	5,792,703

Unpaid Conditional Government Grants and Receipts

Current (0 -30 days)	-	829,321
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Other

Current (0 -30 days)	49,437	61,622
31 - 60 days	52,744	56,410
61 - 90 days	47,083	45,533
> 90 days	3,315,400	2,795,584
	3,464,664	2,959,149

14. VAT receivable

VAT	7,197,714	4,067,905
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VAT is payable/receivable on the cash basis.

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Notes to the audited Annual Financial Statements

Figures in Rand	2012	2011
15. Consumer debtors		
Gross balances		
Electricity	6,016,777	4,018,831
Water	2,085,316	1,086,087
Sewerage	7,521,180	6,210,037
Refuse	4,443,677	3,579,187
Other Trade Receivables	6,739,803	5,541,049
	26,806,753	20,435,191
Less: Provision for debt impairment		
Electricity	1,033,462	(1,665,413)
Water	(223,432)	(531,606)
Sewerage	(1,280,232)	(4,449,656)
Refuse	(959,578)	(2,519,926)
Regional services levies	(2,598,468)	(2,764,948)
Less: Provision for debt impairment	(15,401,141)	3,210,206
	(19,429,389)	(8,721,343)
Net balance		
Electricity	7,050,239	2,353,418
Water	1,861,884	554,481
Sewerage	6,240,948	1,760,381
Refuse	3,484,099	1,059,261
Other Trade Receivables	4,141,335	2,776,101
Allowance for Doubtful Debts	(15,401,141)	3,210,206
Net balance	7,377,364	11,713,848
Electricity		
Current (0 -30 days)	3,349,260	1,991,390
31 - 60 days	661,329	493,104
61 - 90 days	480,009	400,030
> 90 days	1,526,179	1,134,307
Impairments	1,033,462	(1,665,413)
	7,050,239	2,353,418
Water		
Current (0 -30 days)	696,540	335,674
31 - 60 days	243,300	150,691
61 - 90 days	205,244	87,452
> 90 days	940,232	512,270
Impairments	(223,432)	(531,606)
	1,861,884	554,481
Sewerage		
Current (0 -30 days)	715,707	547,162
31 - 60 days	282,859	260,205
61 - 90 days	230,815	188,087
> 90 days	6,291,799	5,214,583
Impairments	(1,280,232)	(4,449,656)
	6,240,948	1,760,381

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Figures in Rand	2012	2011
15. Consumer debtors (continued)		
Refuse		
Current (0 -30 days)	377,831	311,583
31 - 60 days	172,767	143,876
61 - 90 days	139,907	116,020
> 90 days	3,753,172	3,007,708
Impairments	(959,578)	(2,519,926)
	3,484,099	1,059,261
Other Trade Receivables		
Current (0 -30 days)	796,294	1,247,550
31 - 60 days	230,877	406,440
61 - 90 days	203,075	353,449
> 90 days	5,509,557	3,533,610
Impairments	(2,598,468)	(2,764,948)
	4,141,335	2,776,101
Impairments		
Undefined Difference	(15,401,141)	3,210,206
Reconciliation of debt impairment provision		
Balance at beginning of the year	(11,931,548)	(8,559,690)
Contributions to provision	(7,624,019)	(3,371,859)
Debt impairment written off against provision	126,178	-
Undefined Difference	-	3,210,206
	(19,429,389)	(8,721,343)
16. Cash and cash equivalents		
Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value:		
Cash on hand	6,520	6,520
Bank balances	16,857,359	951
Bank overdraft	-	(2,334,704)
	16,863,879	(2,327,233)
Current assets	16,863,879	7,471
Current liabilities	-	(2,334,704)
	16,863,879	(2,327,233)

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Figures in Rand	2012	2011
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16. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2012	30 June 2011	30 June 2010	30 June 2012	30 June 2011	30 June 2010
Kuruman ABSA Account number: 40 5218 3325 (Primary Bank Account):	2,389,602	(324,810)	8,639,283	229,726	(2,334,704)	4,904,008
Kimberley ABSA Account Number: 40 6020 4391 (Bank Account - TMT):	-	45,480	951	-	951	951
Kuruman ABSA Account: 92 6474 8829 (Call account)	17,038,737	-	-	17,038,737	-	-
Total	19,428,339	(279,330)	8,640,234	17,268,463	(2,333,753)	4,904,959

Traffic account is cleared daily to Primary Bank Account.

17. Other financial liabilities**Held at amortised cost**

Annuity Loans - At amortised cost	30,040,517	32,932,583
Annuity loans at amortised cost is calculated at 5.00%-15.00% interest rate, with maturity date of 30 June 2027.		

Non-current liabilities

At amortised cost	28,037,262	30,093,426
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Current liabilities

At amortised cost	2,003,255	2,839,157
	30,040,517	32,932,583

The obligations under the annuity loans are scheduled below

Amounts payable under annuity loans:

- within one year	4,970,018	6,609,069
- in second to fifth year inclusive	20,455,381	18,574,663
- later than five years	25,901,169	30,304,297
	51,326,568	55,488,029
less: future finance charges	(20,895,341)	(22,557,784)
Present value of annuity obligations	30,431,227	32,930,245

Information on the municipality's financial management policies and practices is provided in note 45.

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Notes to the audited Annual Financial Statements

Figures in Rand	2012	2011
18. Finance lease obligation		
Minimum lease payments due		
- within one year	372,262	367,840
- in second to fifth year inclusive	992,014	1,004,759
	1,364,276	1,372,599
less: future finance charges	(236,252)	(272,704)
Present value of minimum lease payments	1,128,024	1,099,895
Present value of minimum lease payments due		
- within one year	264,501	258,999
- in second to fifth year inclusive	863,524	840,896
	1,128,025	1,099,895
Non-current liabilities	863,524	840,896
Current liabilities	264,501	258,999
	1,128,025	1,099,895

No existence and terms of renewal or purchase options exists and only the Xerox Copier C5665 has a 10% escalation clauses.

Refer to note 45 and Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant (MIG)	10,131,772	-
Municipal Systems Improvement Grant	67,306	356,788
Department of Mineral and Energy (DME)	39,066	658,149
Housing Grants	1,196,559	1,456,262
Water and Sanitation Master Plan	353	541,953
Amogelang Early Childhood	68,932	68,932
Library Development	59	512
Blue Drop & Green Support	66,483	16,738
Unspent grant 11	15,523	-
	11,586,053	3,099,334

See note 26 and Appendix F for reconciliation of grants from the various spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

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Notes to the audited Annual Financial Statements

Figures in Rand	2012	2011
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19. Unspent conditional grants and receipts (continued)**Unpaid Conditional Government Grants and Receipts**

The following amounts were due to the municipality as at year-end and have been recognised as receivables from non-exchange transactions (Note 13):

Municipal Infrastructure Grant (MIG)	-	829,321
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20. Provisions**Reconciliation of provisions - 2012**

	Opening Balance	Additions	Total
Provision 1	-	1,738,660	1,738,660

21. Payables from exchange transactions

Trade payables	493,090	2
Retentions	2,908,907	2,307,141
Other accrued expenses	83,676	-
Deposits received	1,463,154	1,318,363
	4,948,827	3,625,506

Payables are being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.

22. Consumer deposits

Water & electricity	2,192,025	1,831,834
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Figures in Rand	2012	2011
23. Revenue		
Property rates	14,823,008	13,030,789
Service charges	80,915,552	64,223,908
Rental of facilities & equipment	1,666,502	1,649,774
Dividends received	296	104
Income from agency services	1,267,224	1,042,245
Fines	4,082,812	1,344,567
Licences and permits	1,774,889	1,507,401
Government grants & subsidies	128,456,653	108,371,985
Miscellaneous other revenue	3,854,231	5,397,045
	236,841,167	196,567,818

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	80,915,552	64,223,908
Rental of facilities & equipment	1,666,502	1,649,774
Dividends received	296	104
Income from agency services	1,267,224	1,042,245
Licences and permits	1,774,889	1,507,401
Miscellaneous other revenue	3,854,231	5,397,045
	89,478,694	73,820,477

The amount included in revenue arising from non-exchange transactions is as follows:**Taxation revenue**

Property rates	14,823,008	13,030,789
Fines	4,082,812	1,344,567
Transfer revenue		
Government grants	128,456,653	108,371,985
	147,362,473	122,747,341

24. Property rates**Rates received**

Residential, commercial and state property	16,188,943	14,288,154
Less: Rebates	(1,365,935)	(1,257,365)
	14,823,008	13,030,789

Valuations

Residential	1,171,454,054	1,115,521,554
Commercial	812,955,325	470,512,910
State	63,744,400	63,744,400
Municipal	71,541,400	85,665,700
Small holdings and farms	685,509,500	638,407,800
Post Office	1,554,000	1,554,000
100% Rebate (Indigence)	7,275,700	9,762,700
Spoornet	2,800,000	2,800,000
Churches & Charitable	35,917,010	35,276,010
	2,852,751,389	2,423,245,074

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 1993 and interim 1 July 2001.

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Figures in Rand	2012	2011
25. Service charges		
Net service charges		
Sale of electricity	58,166,173	44,407,281
Sale of water	8,984,002	7,365,017
Sewerage and sanitation charges	8,798,231	7,552,335
Refuse removal	4,967,146	4,899,275
	80,915,552	64,223,908
Details		
Sale of electricity		
Services charges	60,168,473	46,352,832
Rebates	(2,002,300)	(1,945,551)
	58,166,173	44,407,281
Sale of water		
Services charges	9,034,158	7,404,902
Rebates	(50,156)	(39,885)
	8,984,002	7,365,017
Sewerage and sanitation charges		
Services charges	8,798,231	7,552,335
	8,798,231	7,552,335
Refuse removal		
Services charges	4,967,146	4,899,275
	4,967,146	4,899,275

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Figures in Rand	2012	2011
26. Government grants and subsidies		
Unconditional Grants		
Equitable share	58,219,000	48,469,524
Conditional Grants		
Local Government Financial Management Grant (FMG)	1,010,477	1,624,096
Municipal Infrastructure Grant (MIG)	31,282,906	24,914,148
Department of Mineral and Energy (DME)	-	1,867,983
Amogelang Early Childhood	-	1,146,453
Library grant	646,000	359,941
Municipal Systems Improvement Grant	878,082	594,735
Housing grants	20,743,885	27,689,201
Department Water Affairs and Forestry (DWAF)	1,974,000	1,586,000
Blue Drop & Green Support	335,974	119,904
Government grant (capital) 19	13,366,329	-
Total government grants and subsidies	128,456,653	108,371,985
Government grants and subsidies by type		
Government grants and subsidies - capital	31,282,906	27,441,703
Government grants and subsidies - operating	97,173,747	80,930,282
Total government grants and subsidies	128,456,653	108,371,985

The municipality does not expect any significant changes to the level of grants.

Equitable Share

Balance unspent at beginning of year	-	-
Current-year receipts	58,219,000	48,469,524
Conditions met - transferred to revenue	(58,219,000)	(48,469,524)
	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury. The grant is used to subsidise the provision of basic services to indigent community members.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	-	3,230,488
Current-year receipts	45,474,000	20,854,339
Conditions met - transferred to revenue	(35,342,228)	(24,914,148)
Unpaid amount recognised as receivable from non-exchange transactions	-	829,321
	10,131,772	-

Conditions still to be met - remain liabilities (see note 19).

Provide explanations of conditions still to be met and other relevant information.

Municipal Systems Improvement Grant

Balance unspent at beginning of year	356,788	201,524
Current-year receipts	790,000	750,000
Conditions met - transferred to revenue	(1,079,482)	(594,736)
	67,306	356,788

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Figures in Rand	2012	2011
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26. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 19).

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems..

Department of Mineral and Energy (DME)

Balance unspent at beginning of year	658,149	26,132
Current-year receipts	-	2,500,000
Conditions met - transferred to revenue	(619,083)	(1,867,983)
	39,066	658,149

Conditions still to be met - remain liabilities (see note 19).

The grant was used for electricity infrastructure development.

Housing Grants

Balance unspent at beginning of year	1,456,262	-
Current-year receipts	31,706,946	30,145,463
Conditions met - transferred to revenue	(31,966,649)	(28,689,201)
	1,196,559	1,456,262

Conditions still to be met - remain liabilities (see note 19).

Housing grants was utilised for the development of Erven and the erection of top structures.

Water and Sanitation Master Plan

Balance unspent at beginning of year	541,953	541,953
Conditions met - transferred to revenue	(541,600)	-
	353	541,953

Conditions still to be met - remain liabilities (see note 19).

The grant was used for water & sanitation infrastructure development

Amogelang Early Childhood

Balance unspent at beginning of year	68,932	1,215,384
Current-year receipts	-	(1,146,452)
	68,932	68,932

Conditions still to be met - remain liabilities (see note 19).

The grant was used for Building of Pre-School.

Library Development

Balance unspent at beginning of year	512	453
Current-year receipts	646,000	360,000
Conditions met - transferred to revenue	(646,453)	(359,941)
	59	512

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Figures in Rand	2012	2011
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26. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 19).

The grant was used for the development of libraries in the Kuruman area.

Blue Drop & Green Support

Balance unspent at beginning of year	16,738	-
Current-year receipts	365,201	136,641
Conditions met - transferred to revenue	(315,456)	(119,903)
	66,483	16,738

Conditions still to be met - remain liabilities (see note 19).

The grant was used for water operating and maintenance.

Department Water Affairs and Forestry (DWAF)

Current-year receipts	1,481,000	1,586,000
Conditions met - transferred to revenue	(1,481,000)	(1,586,000)
	-	-

Conditions still to be met - remain liabilities (see note 19).

The grant was used for water operating and maintenance.

MUNICIPAL FINANCE GRANT

Current-year receipts	1,450,000	-
Conditions met - transferred to revenue	(1,434,477)	-
	15,523	-

Conditions still to be met - remain liabilities (see note 19).

Provide explanations of conditions still to be met and other relevant information.

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Notes to the audited Annual Financial Statements

Figures in Rand	2012	2011
27. General expenses		
Advertising	194,054	227,623
Assessment rates & municipal charges	-	4,657
Auditors remuneration	3,428,229	2,773,204
Bank charges	363,042	364,789
Cleaning	339,444	398,015
Computer expenses	62,752	53,289
Consumables	4,429	7,339
Donations	100,545	128,125
Entertainment	222,956	378,334
Flowers	1,515	2,228
Animal Costs	(11,410)	17,466
Insurance	2,594,527	1,844,530
IT expenses	43,213	86,133
Horticulture	-	10,991
Levies	-	4,342,440
Medical expenses	-	8,488
Postage and courier	250,625	290,590
Printing and stationery	370,464	343,160
Security (Guarding of municipal property)	1,792,072	1,652,536
Software expenses	512,523	477,023
Subscriptions and membership fees	296,129	289,338
Telephone and fax	11,636	26,083
Training	368,709	366,766
Travel - local	1,210,509	1,202,500
Title deed search fees	1,638	8,798
Electricity	1,109,428	1,144,739
Chemicals	21,110	15,641
Other expenses	27,399,286	19,465,019
	40,687,425	35,929,844

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

28. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Impairment on property, plant and equipment	430,881	92,063
Impairment on asset 2	7,989,489	2,165,720
Depreciation on property, plant and equipment	41,879,896	40,470,676
Employee costs	48,256,086	41,853,632

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Figures in Rand	2012	2011
29. Employee related costs		
Basic	17,070,367	18,899,327
Acting allowances	874,214	433,297
Annual/Leave Bonus	1,938,101	1,786,631
Clothing Allowance	347,622	252,879
Group Insurance	474,637	476,267
Housing benefits and allowances	1,492,027	1,549,936
Industrial Council	9,961	10,372
Leave pay provision charge	2,375,801	600,998
Long Service Bonus	195,569	221,237
Medical aid - company contributions	2,031,925	1,981,156
Overtime payments	1,195,273	1,054,930
Post-employment benefits - Pension - Defined contribution plan	656,485	-
Retirement Fund	4,030,646	4,286,151
Standby Allowance	157,528	215,263
Telephone Allowance	41,835	224,421
Tool allowance	5,000	3,200
Travelling Allowance	1,713,156	1,913,494
UIF	244,335	267,101
Wages	8,415,182	7,676,972
Less: Remuneration of councillors	30 (543,403)	(5,266,644)
	42,726,261	36,586,988

Remuneration of municipal manager

Annual Remuneration	776,102	716,332
Contributions to UIF, Medical and Pension Funds	30,728	30,728
Travelling Allowance	106,800	106,800
	913,630	853,860

Municipal Manager was appointed on 01 November 2011 with a contract ending years after the Municipal elections in 2011

There are no post-employment or termination benefits payable to them at the end of the contract period.

Remuneration of chief finance officer

Annual Remuneration	568,133	520,322
Contributions to UIF, Medical and Pension Funds	78,771	78,771
Travelling Allowance	84,000	84,000
	730,904	683,093

The CFO was appointed 02 January 2009 and her contract ends 31 December 2014

There are no post-employment or termination benefits payable to them at the end of the contract period.

Remuneration of the Corporate Services Manager

Annual Remuneration	541,410	452,708
Contributions to UIF, Medical and Pension Funds	117,494	158,380
Travelling Allowance	72,000	72,000
	730,904	683,088

The Corporate Manager's contract ended 30 November 2010 and she is on a month to month contract until the position is filled.

There are no post-employment or termination benefits payable to them at the end of the contract period.

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Notes to the audited Annual Financial Statements

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29. Employee related costs (continued)**Remuneration of the Community Services Manager**

Annual Remuneration	652,138	604,322
Contributions to UIF, Medical and Pension Funds	78,766	78,766
	730,904	683,088

Community Services Manager was appointed on 3 November 2009 and her contract ends on 31 October 2012

There are no post-employment or termination benefits payable to them at the end of the contract period.

Remuneration of the Technical Services Manager

Annual Remuneration	588,164	539,916
Contributions to UIF, Medical and Pension Funds	35,940	36,372
Travelling Allowance	106,800	106,800
	730,904	683,088

The Head of Infrastructure was appointed 1 May 2007 and his contract ended 30 April 2012

There are no post-employment or termination benefits payable to them at the end of the contract period.

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Notes to the audited Annual Financial Statements

Figures in Rand	2012	2011
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30. Remuneration of councillors

Executive Major	611,708	582,758
Mayoral Committee Members	757,221	721,161
Speaker	489,516	466,205
Councillors	3,671,380	3,496,520
	5,529,825	5,266,644

Detailed remuneration of councillors**In-kind benefits**

The Mayor is full-time. He is provided with an office and secretarial support at the cost of the Council.

Mayor

Annual Remuneration	457,237	346,430
Contributions to UIF, Medical and Pension Funds	1,497	90,638
Travelling Allowance	152,974	145,690
	611,708	582,758

Speaker

Annual Remuneration	293,289	268,158
Contributions to UIF, Medical and Pension Funds	73,848	81,496
Travelling Allowance	122,379	116,551
	489,516	466,205

Exco Councillors

Annual Remuneration	426,397	429,760
Contributions to UIF, Medical and Pension Funds	141,519	121,126
Travelling Allowance	189,305	170,275
	757,221	721,161

Councillors

Annual Remuneration	1,965,322	2,638,067
Contributions to UIF, Medical and Pension Funds	788,218	439,594
Travelling Allowance	917,840	418,859
	3,671,380	3,496,520

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31. Investment revenue		
Interest revenue		
Bank	1,080,107	730,937
Interest charged on trade and other receivables	792,918	931,118
Interest received - other	1,154,184	452,698
	3,027,209	2,114,753
32. Fair value adjustments		
Actuarial gains (losses)	8 (590,316)	(970,499)
33. Depreciation and amortisation		
Property, plant and equipment	41,879,896	40,470,676
34. Impairment of assets		
Impairments		
Property, plant and equipment	430,881	92,063
Receivables from exchange and non-exchange transactions	7,989,489	2,165,720
	8,420,370	2,257,783
35. Finance costs		
Non-current borrowings	3,053,207	3,361,811
Finance leases	130,093	133,390
Fair value adjustments: Notional (actuarial) interest	745,848	622,432
	3,929,148	4,117,633
36. Auditors' remuneration		
Fees	3,428,229	2,773,204
37. Contracted services		
38. Grants and subsidies paid		
Other subsidies		
Group co ID 1	21,654,250	31,234,716
39. Bulk purchases		
Electricity	41,533,132	30,543,229

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Figures in Rand	2012	2011
40. Cash generated from operations		
Surplus (deficit)	13,367,852	(8,221,534)
Adjustments for:		
Depreciation and amortisation	41,879,896	40,470,676 
Fair value adjustments (incl actuarial gain/loss)	590,316	970,499 
Finance costs - Finance leases	130,093	133,390
Dividends received	296	104
Impairment deficit	8,420,370	2,257,783 
Movements in operating lease assets and accruals	3,956	(17)
Movements in retirement benefit assets and liabilities (excl actuarial gain/loss)	824,237	582,459
Movements in provisions	1,738,660	-
Other non-cash items	-	(4,021)
Changes in working capital:		
Inventories	3,731,650	172,749 
Other receivables from non-exchange transactions	(4,322,459)	795,057
Consumer debtors	4,336,484	42,080
Movement in long term receivables	85,846	(38,781)
Payables from exchange transactions	1,323,321	386,032
VAT	(3,129,809)	(3,912,946) 
Unspent conditional grants and receipts	8,486,719	(2,540,695)
Consumer deposits	360,191	254,621
Other short-term employee benefits	51,585	163,048
	77,879,204	31,510,504

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41. Commitments**Authorised capital expenditure****Already contracted for but not provided for**

• Land & Buildings	1,898,316	6,491,938
• Infrastructure	51,032,919	18,781,337
• Other	-	-
	52,931,235	25,273,275

Not yet contracted for and authorised by accounting officer

• Land & Buildings	-	-
• Infrastructure	15,296,706	-
• Other	-	-
	15,296,706	-

This committed expenditure will be financed by available bank facilities, retained surpluses, and other means as detailed below:

External Loans	-	164,310
Government Grants	11,971,650	10,157,762
	11,971,650	10,322,072

Operating leases - as lessee (expense)**Minimum lease payments due**

- within one year	-	34,748
- in second to fifth year inclusive	-	-
- later than five years	-	-
	-	34,748

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as detailed above. This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

Detailed disclosure of the operating lease asset/(accrual) is provided in note 7.

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42. Contingencies

Erf 489 - Summons was received from TEB properties, who demands payment of R2 428 254.00 with legal costs of R300 000 for the purchase price and improvements made. The legal service provider advised that we consider a settlement meeting with the opponents.

Bophrima Black Contractors - The matter was defended and Plaintiff stopped from proceeding with matter as its summonses were badly drafted in law and ordered to cure its summons before they could proceed. The estimated cost is R1 479 304.67 with legal costs of R200 000. The Plaintiff has not acted on the matter, the matter is not proceeding in Court, we are awaiting on Plaintiff to act.

Trespass Security - Plaintiff claiming R2 557 551.08 with legal costs of R350 000 breach of contract by Municipality by not awarding them the Security tender. The matter has been defended, currently Plaintiff employs dilatory tactics by not committing to trial date. A cost order for wasted costs recently obtained against Plaintiff. Awaiting trial date on the matter.

Peyper Sesele attorneys - the attorneys who had represented the municipality on the eviction matter and conversion of Deeds of grant into full Title Deeds. the attorneys have issued summons against the municipality for R156 000 and R2 000 000 respectively. The estimated legal cost to the municipality is R250 000.

DNA: bid awarded to Matsapa Trading cc for development of the mall. The estimated legal costs is R250 00.

Contingent assets

During the year 2009/10 a case of alleged theft at the vehicle registration office to the amount of R71 358 was reported to the SAPS. The 3 officials identified were suspended with full remuneration. A creditor was created for Department of Transport, Safety and Liaison for an amount of R66,825.22 short for 2009/2010.

43. Related parties**Relationships**

Accounting Officer
Members of key management

Refer to accounting officer's report note
Refer to disclosure on remuneration of senior management 29

Related party balances

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 10 to the Annual Financial Statements.

Related party transactions

The municipality had no related party transactions during the financial year outside of contractual remuneration of senior management (details provided in note 29).

44. Prior period errors

Property, Plant and Equipment were depreciated at the tax rates. The useful lives and residual values were not appropriately considered. (Give the nature of the error.)

The correction of the error(s) results in adjustments as follows:

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45. Risk management**Financial risk management**

The municipality's activities expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2012	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Long Term liabilities	4,970,018	20,455,381	16,533,002	9,368,167
Trade and other payables (deposits received)	1,824,160	-	-	-
Unspent conditional government grants and receipts	11,971,650	-	-	-
At 30 June 2011	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Long Term liabilities	6,609,069	18,574,663	17,998,547	12,305,750
Trade and other payables (deposits received)	270,518	-	-	-
Unspent conditional government grants and receipts	3,099,334	-	-	-

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions and alternative financing. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on post-tax surplus of a 0.5% shift would be a maximum increase of R 999,999,999,999 (2011: R 157,206) or decrease of R 999,999,999,999 (2011: R (157,206)), respectively. The simulation is done on a quarterly basis to verify that the maximum deficit potential is within the limit given by the management.

The municipality did not hedge against any interest rate risks during the current year.

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45. Risk management (continued)**Credit risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to notes 12 and 15 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to notes 12 and 15 for balances included in receivables that were re-negotiated for the period under review.

No trade and other receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying values disclosed in the notes referred to above is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

Details on how the provision for bad debts has been allocated between the different classes of debtors is provided in note 15.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Statement of Financial Position date for impairment or discounting. A report on the various categories of Debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2012	2011
Long term receivables	465,395	551,241
Other receivables from exchange transactions	98,012	98,012
Other receivables from non-exchange transactions	7,483,220	3,160,761
Consumer debtors	7,377,364	11,713,848
Cash and Cash Equivalents	16,863,879	7,471
	32,287,870	15,531,333

Foreign exchange risk

The municipality does not engage in foreign currency transactions.

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45. Risk management (continued)

Price risk

The municipality is not exposed to price risk.

Post-tax surplus for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through surplus or deficit. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

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46. Financial assets by category

The accounting policies for financial instruments as regards financial assets have been applied to the line items below. The fair value of financial instruments approximates the amortised costs reflected.

2012

	Financial instruments at amortised cost	Total
Receivables from exchange transactions	98,012	98,012
Other receivables from non-exchange transactions	7,030,897	7,030,897
Consumer debtors	8,503,643	8,503,643
Cash and cash equivalents	16,863,879	16,863,879
Other financial assets	222	222
Long-Term Receivables	465,395	465,395
	32,962,048	32,962,048

2011

Receivables from exchange transactions	98,012	98,012
Other receivables from non-exchange transactions	6,730,967	6,730,967
Consumer debtors	8,503,643	8,503,643
Cash and cash equivalents	6,520	6,520
Other financial assets	222	222
Long-Term Receivables	551,241	551,241
	15,890,605	15,890,605

47. Financial liabilities by category

The accounting policies for financial instruments as regards financial financial liabilities have been applied to the line items below. The fair value of financial instruments approximates the amortised costs reflected.

2012

	Financial liabilities at amortised cost	Total
Other financial liabilities	29,413,002	29,413,002
Payables from exchange transactions	4,733,068	4,733,068
Consumer deposits	2,192,025	2,192,025
Unspent conditional grants and receipts	20,584,135	20,584,135
Bank overdraft	-	-
	56,922,230	56,922,230

2011

Other financial liabilities	32,932,583	32,932,583
Payables from exchange transactions	3,625,504	3,625,504
Consumer deposits	1,831,834	1,831,834
Unspent conditional grants and receipts	3,099,334	3,099,334
Bank overdraft	2,334,704	2,334,704
	43,823,959	43,823,959

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48. Events after the reporting date

No reportable events relevant to the financial year under review were identified that took place after the balance sheet date.

49. Unauthorised expenditure**Reconciliation of unauthorised expenditure:**

Opening balance	-	-
Add: Unauthorised expenditure - current year	29,818,995	60,294,709
Less: Approved by Council or condoned	-	-
Less: Transfer to receivables for recovery	-	-
	29,818,995	60,294,709

Analysis of unauthorised expenditure awaiting condonation per age classification

Current year	-	-
Prior years	-	60,294,709
	-	60,294,709

Details of unauthorised expenditure - current year

Incident	Disciplinary steps taken/criminal proceedings	
Depreciation calculation with GRAP not included in Budget, creating overspending.	None	60,294,709

50. Fruitless and wasteful expenditure**Reconciliation of fruitless and wasteful expenditure:**

Opening balance	-	-
Add: Fruitless and wasteful expenditure - current year	85,211	13,083
Less: Condoned or written off by Council	-	-
Less: Transfer to receivables for recovery - not condoned	-	-
	85,211	13,083

Analysis of fruitless and wasteful expenditure awaiting condonation per age classification

Current year	-	-
Prior years	-	60,294,709
	-	60,294,709

Details of fruitless and wasteful expenditure - current year

Incident	Disciplinary steps taken/criminal proceedings	
Interest paid on late payments to the value of R465 for Telkom and R12 618 for Eskom.	None	60,294,709

51. In-kind donations and assistance

The municipality did not receive any in-kind donations or assistance during the year under review.

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52. Additional disclosure in terms of Municipal Finance Management Act**Contributions to organised local government - SALGA contributions**

Opening balance	-	-
Current year subscription / fee	229,726	212,385
Amount paid - current year	(229,726)	(212,385)
	-	-

Audit fees

Opening balance	-	-
Current year fees:		
External Audit - Auditor-General	2,406,572	2,386,770
Internal Audit	1,021,657	430,000
Amount paid - current year	(3,428,229)	(2,816,770)
	-	-

PAYE, SDL and UIF

Opening balance	-	-
Current year payroll deductions and Council Contributions	6,072,989	5,592,188
Amount paid - current year	(6,072,989)	(5,592,188)
	-	-

Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	11,196,164	10,638,503
Amount paid - current year	(11,196,164)	(10,638,503)
	-	-

VAT

VAT receivable	7,197,714	4,067,905
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VAT is payable/receivable on the cash basis. VAT output payables and VAT input receivables are shown in note .

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2012:

30 June 2011	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor: MAP Brink	-	15,128	15,128
Councillor: FP Byleveld	-	3,582	3,582
	-	18,710	18,710

Supply chain management regulations**Quotations awarded - Section 45 - Supply Chain Management**

Non-compliance with the Supply Chain Management Regulations were identified on the following categories:

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52. Additional disclosure in terms of Municipal Finance Management Act (continued)**Year to 30 June 2012**

	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001	Total
Financial Services	122,897	1,650,219	-	-	1,773,116
Technical Services	204,103	881,561	-	-	1,085,664
Community Services	63,887	83,340	-	-	147,227
	390,887	2,615,120	-	-	3,006,007

Year to 30 June 2011

	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001	Total
Executive & Council	6,609,069	18,574,663	30,304,297	-	55,488,029
Technical Services	270,518	-	-	-	270,518
Electrical Services	2,270,012	-	-	-	2,270,012
	9,149,599	18,574,663	30,304,297	-	58,028,559

53. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised	30,040,517	32,932,583
	30,040,517	32,932,583
Cash set aside for the repayment of long-term liabilities	-	(32,932,583)
	30,040,517	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

54. Reconciliation of available cash and investment resources

Cash and cash equivalents	16,863,879	7,471
Bank overdraft	-	(2,334,704)
Other financial assets	222	222
	16,864,101	(2,327,011)
Less:		
Unspent Committed Conditional Grants	(11,586,053)	(3,099,334)
Staff leave	(1,738,660)	-
Net cash resources available for internal distribution	3,539,388	(5,426,345)

Allocation:

Capital Replacement Reserve	-	-
Employee Benefits Reserve	-	-
Social Contribution Reserve	-	-
Non-Current Provisions Reserve	-	-
Valuation Roll Reserve	-	-
Resources available for working capital requirements	3,539,388	(5,426,345)

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55. Private public partnerships

Council has not entered into any private public partnerships during the financial year.

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56. Statement of comparative and actual information**2012**

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Financial Performance							
Property rates	18,062,080	17,947,614	17,947,614	14,823,008	3,124,606	83 %	82 %
Service charges	74,655,766	80,521,982	80,521,982	80,915,552	(393,570)	100 %	108 %
Investment revenue	1,151,230	2,032,370	2,032,370	3,027,209	(994,839)	149 %	263 %
Transfers recognised - operational	64,437,476	65,932,958	65,932,958	83,807,418	(17,874,460)	127 %	130 %
Other own revenue	11,160,560	13,048,110	13,048,110	13,023,405	24,705	100 %	117 %
Total revenue (excluding capital transfers and contributions)	169,467,112	179,483,034	179,483,034	195,596,592	(16,113,558)	109 %	115 %
Employee costs	(57,608,107)	(43,748,101)	(43,748,101)	(42,726,261)	(1,021,840)	98 %	74 %
Remuneration of councillors	-	(4,996,916)	(4,996,916)	(5,529,825)	532,909	111 %	DIV/0 %
Depreciation and asset impairment	(13,423,850)	(19,820,056)	(19,820,056)	(50,300,266)	30,480,210	254 %	375 %
Finance charges	(3,741,899)	(3,083,258)	(3,083,258)	(3,929,148)	845,890	127 %	105 %
Materials and bulk purchases	(43,698,660)	(41,533,134)	(41,533,134)	(41,533,132)	(2)	100 %	95 %
Transfers and grants	(3,056,000)	(3,289,150)	(3,289,150)	(21,654,250)	18,365,100	658 %	709 %
Other expenditure	(51,594,755)	(64,224,498)	(64,224,498)	(61,205,093)	(3,019,405)	95 %	119 %
Total expenditure	(173,123,271)	(180,695,113)	(180,695,113)	(226,877,975)	46,182,862	126 %	131 %
Surplus/(Deficit)	(3,656,159)	(1,212,079)	(1,212,079)	(31,281,383)	30,069,304	2,581 %	856 %

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56. Statement of comparative and actual information (continued)

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	-	-	-	44,649,235	(44,649,235)	DIV/0 %	DIV/0 %
Contributions recognised - capital and contributed assets	5,762,159	5,762,159	5,762,159	-	5,762,159	- %	- %
Surplus (Deficit) after capital transfers and contributions	2,106,000	4,550,080	4,550,080	13,367,852	(8,817,772)	294 %	635 %
Surplus/(Deficit) for the year	2,106,000	4,550,080	4,550,080	13,367,852	(8,817,772)	294 %	635 %

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56. Statement of comparative and actual information (continued)

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Capital expenditure and funds sources							
Cash flows							
Net cash from (used) operating	-	-	-	77,879,204	(77,879,204)	DIV/0 %	DIV/0 %
Net cash from (used) investing	-	-	-	(55,693,875)	55,693,875	DIV/0 %	DIV/0 %
Net cash from (used) financing	-	-	-	(2,994,029)	2,994,029	DIV/0 %	DIV/0 %
Net increase/(decrease) in cash and cash equivalents	-	-	-	19,191,300	(19,191,300)	DIV/0 %	DIV/0 %
Cash and cash equivalents at the beginning of the year	-	-	-	(2,327,233)	2,327,233	DIV/0 %	DIV/0 %
Cash and cash equivalents at year end	-	-	-	16,864,067	(16,864,067)	DIV/0 %	DIV/0 %

Refer to note for narrative reasons for variances.

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Ga-Segonyana Local Municipality**Appendix A**

June 2012

Schedule of external loans as at 30 June 2012

Loan Number	Redeemable	Balance at 30 June 2011	Received during the period	Redeemed written off during the period	Balance at 30 June 2012	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		
Loan Stock		-	-	-	-	-	-
Structured loans		-	-	-	-	-	-
Funding facility		-	-	-	-	-	-
Development Bank of South Africa							
DBSA - 15%	11099/102	2018/06/30	5,421,622	-	479,563	4,942,059	-
DBSA - 8.67%	13511/202	2014/12/31	808,439	-	230,983	577,456	-
DBSA - 9.42%	13891/201	2021/12/31	2,020,868	-	192,464	1,828,404	-
DBSA - 11.5%	100234/1	2023/12/31	3,658,081	-	141,098	3,516,983	-
DBSA - 9.34%	101738/2	2025/06/30	6,141,480	-	225,356	5,916,124	-
DBSA- 8.463%	102274/2	2026/06/30	10,642,651	-	370,690	10,271,961	-
DBSA - 5%	102568/1	2012/06/30	1,722,902	-	909,337	813,565	-
DBSA - 5%	102568/2	2027/06/30	2,363,659	-	909,337	1,454,322	-
			-	-	-	-	-
			32,779,702	-	3,458,828	29,320,874	-
Bonds			-	-	-	-	-
Other loans			-	-	-	-	-
Lease liability							
Xerox Copier C5665 - 11.85%	Corporate Services	2015/08/01	197,261	-	42,504	154,757	-
Toshiba e-Studio 232 Digital Copier	Library Services	2011/10/31	41,140	-	37,976	3,164	-
Toshiba e- Studio 232 Digital Copier	Library Services	2011/10/31	41,140	-	37,976	3,164	-
Toshiba e- Studio 207 Digital Copier	Traffic Services	2011/10/31	41,140	-	37,976	3,164	-

Ga-Segonyana Local Municipality**Appendix A**

June 2012

Schedule of external loans as at 30 June 2012

	Loan Number	Redeemable	Balance at 30 June 2011	Received during the period	Redeemed written off during the period	Balance at 30 June 2012	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
			Rand	Rand	Rand	Rand		
Toshiba e- Studio 207 Digital Copier	Corporate Services	2011/10/31	41,140	-	37,976	3,164	-	-
Toshiba DP50 Multifunctional Fax	Corporate Services	2011/10/31	41,140	-	37,976	3,164	-	-
Simens PABX	Corporate Services	2015/06/30	802,032	-	200,508	601,524	-	-
Xerox WC5790-CP Digital Copier	Corporate Services	2015/11/25	203,701	-	38,962	164,739	-	-
Xerox WC5790-CP Digital Copier	Financial Services	2015/11/25	203,701	-	38,962	164,739	-	-
Xerox 4112 CP Pro Digital Copier	Financial Services	2017/03/01	-	427,350	23,333	404,017	-	-
Xerox WC5745.CS Digital Copier	Technical Services	2016/03/02	119,822	-	21,798	98,024	-	-
Xerox C118 Digital Copier	Library Services	2011/10/24	7,116	-	7,116	-	-	-
Xerox C118 Digital Copier	Library Services	2011/09/30	6,213	-	6,213	-	-	-
			-	-	-	-	-	-
			1,745,546	427,350	569,276	1,603,620	-	-
Annuity loans								
ABSA - 10.5%	7900448	2015/01/01	76,442	-	19,469	56,973	-	-
ABSA - 10.5%	79001690	2015/01/01	76,442	-	19,469	56,973	-	-
ABSA - 9.5%	82025656	2017/02/01	633,115	-	27,415	605,700	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			785,999	-	66,353	719,646	-	-
Government loans								
			-	-	-	-	-	-
Total external loans								

June 2012

Schedule of external loans as at 30 June 2012

- Loan Stock
- Structured loans
- Funding facility
- Development Bank of South Africa
- Bonds
- Other loans
- Lease liability
- Annuity loans
- Government loans

Ga-Segonyana Local Municipality

Ga-Segonyana Local Municipality

Appendix B

June 2012

Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	44,330,900	-	-	-	-	-	44,330,900	-	-	-	-	-	-	44,330,900
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	44,330,900	-	-	-	-	-	44,330,900	-	-	-	-	-	-	44,330,900
Infrastructure														
Electricity	315,536,575	2,370,261	-	-	-	8,173,987	326,080,823	(45,677,655)	-	-	(11,544,911)	-	(57,222,566)	268,858,257
Storm water	69,241,574	-	-	-	-	-	69,241,574	(12,762,346)	-	-	(3,190,587)	-	(15,952,933)	53,288,641
Road Network	210,450,781	-	-	-	-	-	210,450,781	(30,841,970)	-	-	(7,722,728)	-	(38,564,698)	171,886,083
Sanitation Network	85,581,775	57,530	-	-	-	243,658	85,882,963	(11,112,757)	-	-	(2,817,078)	-	(13,929,835)	71,953,128
Water Network	343,254,827	8,549,935	-	-	-	22,652,090	374,456,852	(42,162,159)	-	-	(12,571,178)	-	(54,733,337)	319,723,515
Water Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,024,065,532	10,977,726	-	-	-	31,069,735	1,066,112,993	(142,556,887)	-	-	(37,846,482)	-	(180,403,369)	885,709,624
Leased Assets														
Office Equipment	1,341,000	-	-	-	-	-	1,341,000	(553,272)	-	-	-	-	(553,272)	787,728
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,341,000	-	-	-	-	-	1,341,000	(553,272)	-	-	-	-	(553,272)	787,728

Ga-Segonyana Local Municipality

Ga-Segonyana Local Municipality

Appendix B

June 2012

Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets														
General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	5,990,157	77,484	(1,331)	-	-	-	6,066,310	(4,186,710)	-	-	(553,789)	817	(4,739,682)	1,326,628
Office Equipment	5,293,409	182,287	(126,301)	-	-	-	5,349,395	(3,786,071)	-	-	(617,161)	97,299	(4,305,933)	1,043,462
Emergency Equipment	119,105	-	-	-	-	-	119,105	(49,275)	-	-	(11,062)	-	(60,337)	58,768
Motor Vehicles	13,473,463	2,494,159	(862,740)	-	-	-	15,104,882	(7,754,217)	-	-	(1,499,032)	461,814	(8,791,435)	6,313,447
Plant and Equipment	7,598,288	811,100	(2,720)	-	-	-	8,406,668	(4,977,497)	-	-	(887,997)	2,280	(5,863,214)	2,543,454
Household Refuse Bins	315,875	-	-	-	-	-	315,875	(259,341)	-	-	(20,735)	-	(280,076)	35,799
Watercraft	1,185	-	-	-	-	-	1,185	(723)	-	-	(60)	-	(783)	402
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total property plant and equipment	32,791,482	3,565,030	(993,092)	-	-	-	35,363,420	(21,013,834)	-	-	(3,589,836)	562,210	(24,041,460)	11,321,960
Land and buildings	44,330,900	-	-	-	-	-	44,330,900	-	-	-	-	-	-	44,330,900
Infrastructure	1,024,065,532	10,977,726	-	-	-	31,069,735	1,066,112,993	(142,556,887)	-	-	(37,846,482)	-	(180,403,369)	885,709,624
Leased Assets	1,341,000	-	-	-	-	-	1,341,000	(553,272)	-	-	-	-	(553,272)	787,728
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	32,791,482	3,565,030	(993,092)	-	-	-	35,363,420	(21,013,834)	-	-	(3,589,836)	562,210	(24,041,460)	11,321,960
	1,102,528,914	14,542,756	(993,092)	-	-	31,069,735	1,147,148,313	(164,123,993)	-	-	(41,436,318)	562,210	(204,998,101)	942,150,212
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets														
Computers - software & programming	1,974,569	21,930	-	-	-	-	1,996,499	(1,774,863)	-	-	(128,148)	-	(1,903,011)	93,488
	1,974,569	21,930	-	-	-	-	1,996,499	(1,774,863)	-	-	(128,148)	-	(1,903,011)	93,488

Ga-Segonyana Local Municipality
Ga-Segonyana Local Municipality
Appendix B

June 2012

Analysis of property, plant and equipment as at 30 June 2012
Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Investment properties														
Buildings	1,686,000	-	-	-	-	-	1,686,000	(67,440)	-	-	(16,860)	-	(84,300)	1,601,700
	1,686,000	-	-	-	-	-	1,686,000	(67,440)	-	-	(16,860)	-	(84,300)	1,601,700
Total														
Land and buildings	44,330,900	-	-	-	-	-	44,330,900	-	-	-	-	-	-	44,330,900
Infrastructure	1,024,065,532	10,977,726	-	-	-	31,069,735	1,066,112,993	(142,556,887)	-	-	(37,846,482)	-	(180,403,369)	885,709,624
Leased Assets	1,341,000	-	-	-	-	-	1,341,000	(553,272)	-	-	-	-	(553,272)	787,728
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	32,791,482	3,565,030	(993,092)	-	-	-	35,363,420	(21,013,834)	-	-	(3,589,836)	562,210	(24,041,460)	11,321,960
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	1,974,569	21,930	-	-	-	-	1,996,499	(1,774,863)	-	-	(128,148)	-	(1,903,011)	93,488
Investment properties	1,686,000	-	-	-	-	-	1,686,000	(67,440)	-	-	(16,860)	-	(84,300)	1,601,700
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,106,189,483	14,564,686	(993,092)	-	-	31,069,735	1,150,830,812	(165,966,296)	-	-	(41,581,326)	562,210	(206,985,412)	943,845,400

Ga-Segonyana Local Municipality

Appendix C

June 2012

Segmental analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation

Accumulated Depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
Municipality														
Caravan Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cleansing	1,260,603	-	-	-	-	-	1,260,603	(1,028,645)	-	-	(68,746)	-	(1,097,391)	163,212
Clinic	150,996	-	-	-	-	-	150,996	(97,571)	-	-	(18,181)	-	(115,752)	35,244
Collections	109,141	19,296	-	-	-	-	128,437	(84,785)	-	-	(9,354)	-	(94,139)	34,298
Community Services	140,588	8,421	-	-	-	-	149,009	(81,598)	-	-	(21,351)	-	(102,949)	46,060
Corporate administration	60,658,499	34,965	-	-	-	-	60,693,464	(1,012,733)	-	-	(200,133)	-	(1,212,866)	59,480,598
Council expenses	1,291,609	658,087	(355,553)	-	-	-	1,594,143	(693,326)	138,855	-	(191,788)	-	(746,259)	847,884
Data processing	1,573,743	43,116	-	-	-	-	1,616,859	(1,432,637)	-	-	(92,581)	-	(1,525,218)	91,641
Department health	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disaster management	218,858	-	-	-	-	-	218,858	(123,068)	-	-	(27,819)	-	(150,887)	67,971
Electricity	318,858,830	3,054,482	-	-	-	8,173,987	330,087,299	(47,495,179)	-	-	(11,955,714)	-	(59,450,893)	270,636,406
Electricity admin	22,835	-	-	-	-	-	22,835	(20,497)	-	-	(1,281)	-	(21,778)	1,057
Estates	32,967	-	-	-	-	-	32,967	(27,653)	-	-	(1,728)	-	(29,381)	3,586
Financial Services	1,845,385	48,035	(25,989)	-	-	-	1,867,431	(1,170,763)	22,278	-	(230,597)	-	(1,379,082)	488,349
Firebrigade	389,258	1,866,644	(291,724)	-	-	-	1,964,178	(236,255)	162,625	-	(59,378)	-	(133,008)	1,831,170
Idp/pms	48,453	7,789	-	-	-	-	56,242	(28,039)	-	-	(8,456)	-	(36,495)	19,747
Internal auditor	13,723	-	-	-	-	-	13,723	(11,268)	-	-	(682)	-	(11,950)	1,773
Library	976,902	40,733	-	-	-	-	1,017,635	(715,024)	-	-	(108,639)	-	(823,663)	193,972
Licenses	243,165	-	-	-	-	-	243,165	(187,387)	-	-	(22,747)	-	(210,134)	33,031
Municipal buildings	1,144,788	1,049,557	(61,389)	-	-	928,186	3,061,142	(930,781)	40,954	-	(131,575)	-	(1,021,402)	2,039,740
Municipal houses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal manager	390,295	-	(38,309)	-	-	-	351,986	(236,450)	33,292	-	(40,010)	-	(243,168)	108,818
Nature Reserve	19,024	-	-	-	-	-	19,024	(17,200)	-	-	(2,240)	-	(19,440)	(416)
Parks & recreation	471,874	7,332	-	-	-	-	479,206	(366,932)	-	-	(48,521)	-	(415,453)	63,753
Pavements and island	7,634	-	-	-	-	-	7,634	(6,581)	-	-	(41,131)	-	(47,712)	(40,078)
Public relations	65,934	-	-	-	-	-	65,934	(42,927)	-	-	(7,498)	-	(50,425)	15,509
Pw Roads & water	210,748,975	3,000	-	-	-	-	210,751,975	(31,076,176)	-	-	(7,746,750)	-	(38,822,926)	171,929,049
Sanitation	85,653,912	-	-	-	-	243,658	85,897,570	(11,140,348)	-	-	(2,828,220)	-	(13,968,568)	71,929,002
Second eye	3,685	-	-	-	-	-	3,685	(3,136)	-	-	(196)	-	(3,332)	353
Sewerage	713,991	-	-	-	-	-	713,991	(587,555)	-	-	(48,227)	-	(635,782)	78,209
Stores	258,407	-	-	-	-	-	258,407	(188,200)	-	(24,058)	-	-	(212,258)	46,149
Swimming pools	5,389	-	-	-	-	-	5,389	(4,646)	-	-	(290)	-	(4,936)	453
Technical services	14,077,535	781	(215,463)	-	-	-	13,862,853	(8,332,649)	160,335	-	(1,430,746)	-	(9,603,060)	4,259,793
Testing Ground	1,306,440	5,288	(2,720)	-	-	-	1,309,008	(700,498)	2,280	-	(165,970)	-	(864,188)	444,820
Townplanning & building	695,007	-	-	-	-	-	695,007	(550,084)	-	-	(70,453)	-	(620,537)	74,470
Traffic	1,231,368	-	(1,945)	-	-	-	1,229,423	(809,750)	1,591	-	(111,018)	-	(919,177)	310,246
Water	413,125,550	8,562,949	-	-	-	22,652,090	444,340,589	(55,328,324)	-	-	(15,791,529)	-	(71,119,853)	373,220,736
Workshop	691,408	-	-	-	-	-	691,408	(587,464)	-	-	(38,194)	-	(625,658)	65,750
Finance leases	1,341,000	-	-	-	-	-	1,341,000	(553,272)	-	-	-	-	(553,272)	787,728
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,119,787,771	15,410,475	(993,092)	-	-	31,997,921	1,166,203,075	(165,909,401)	562,210	(24,058)	(41,521,743)	-	(206,892,992)	959,310,083
Municipal Owned Entities														
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[illegible]

June 2012

Segmental Statement of Financial Performance for the year ended	
Prior Year	Current Year

[illegible]

June 2012

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
			Rand			
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
198,880,672	(207,115,180)	(8,234,508)	Total	239,655,510	226,287,652	13,367,858

Ga-Segonyana Local Municipality**Appendix E(1)**

June 2012

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2012

	Current year 2011 Act. Bal.	Current year 2011 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
	Rand	Rand	Rand		
Revenue					
Sale of goods	-	-	-	-	(Explanations to be recorded)
Sale of goods in agricultural activities	-	-	-	-	
Rendering of services	-	-	-	-	
Rendering of services in agricultural activities	-	-	-	-	
Property rates	14,823,008	17,947,614	(3,124,606)	(17.4)	
Service Charges	80,915,552	80,521,982	393,570	0.5	
Public Contributions and Donations	-	-	-	-	
Fines	-	-	-	-	
Third Party Payments	-	-	-	-	
Service Charges	-	-	-	-	
Rental of Facilities and Equipment	-	-	-	-	
Intrest Earned- External Investment	1,666,501	1,656,824	9,677	0.6	
Interest Earned - Outstanding Debtors	-	-	-	-	
Dividends received	296	596	(300)	(50.3)	
Income from agency services	1,267,224	1,100,000	167,224	15.2	
Public contributions and donations	-	5,762,159	(5,762,159)	(100.0)	
Fines	4,082,812	5,746,220	(1,663,408)	(28.9)	
Licences and permits	1,774,889	1,775,910	(1,021)	(0.1)	
Government grants & subsidies	128,456,654	65,932,958	62,523,696	94.8	
Municipal Revenue UD1	-	-	-	-	
Municipal Revenue UD2	-	-	-	-	
Revenue 1	-	-	-	-	
Revenue 2	-	-	-	-	
Miscellaneous other revenue	3,854,231	2,611,423	1,242,808	47.6	
Administration and management fees received	-	-	-	-	
Gains on disposal of assets	-	-	-	-	
Commissions received	-	-	-	-	
Royalties received	-	-	-	-	
Rental income	-	-	-	-	
Discount received	-	-	-	-	
Recoveries	-	-	-	-	
Third party payments	377,451	150,397	227,054	151.0	
Other income 2	-	-	-	-	
Other income 3	-	-	-	-	
Other income	-	-	-	-	
Other farming income 1	-	-	-	-	
Other farming income 2	-	-	-	-	
Other farming income 3	-	-	-	-	
Other farming income 4	-	-	-	-	
Other farming income	-	-	-	-	
Government grants	-	-	-	-	

Ga-Segonyana Local Municipality**Appendix E(1)**

June 2012

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2012

	Current year 2011 Act. Bal.	Current year 2011 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Interest received - investment	1,873,025	727,530	1,145,495	157.4
Interest received - other	1,154,184	1,304,840	(150,656)	(11.5)
Dividends received	-	-	-	-
	240,245,827	185,238,453	55,007,374	29.7
Expenses				
Executive and Council	(42,726,256)	(43,748,101)	1,021,845	(2.3)
Budget & Treasury	-	-	-	-
Corporate Services	(5,529,825)	(4,996,916)	(532,909)	10.7
Planning and Development	-	-	-	-
Health	-	-	-	-
Community & Social Services	(41,879,895)	(19,454,586)	(22,425,309)	115.3
Sport and Recreation	-	-	-	-
Waste Management	-	-	-	-
Waste Water Management	(8,420,370)	(365,470)	(8,054,900)	204.0
Road Transport	-	-	-	-
Water	(3,929,148)	(3,083,258)	(845,890)	27.4
Electricity	-	-	-	-
Public safety	-	-	-	-
Repairs and maintenance	-	-	-	-
- Manufacturing expenses	-	-	-	-
Repairs and maintenance - General	(19,927,354)	(21,336,751)	1,409,397	(6.6)
Repairs and maintenance - General	-	-	-	-
Bulk purchases	(41,533,132)	(41,533,134)	2	-
Contracted Services	-	-	-	-
Grants and subsidies paid	(21,654,250)	(3,289,150)	(18,365,100)	558.4
Cost of housing sold	-	-	-	-
General Expenses	(40,687,423)	(42,887,747)	2,200,324	(5.1)
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
	(226,287,653)	(180,695,113)	(45,592,540)	25.2
Other revenue and costs				
Gain or loss on disposal of assets and liabilities	-	-	-	-
Gain or loss on exchange differences	-	-	-	-
Fair value adjustments	(590,316)	6,740	(597,056)	858.4
Gains or losses on biological assets and agricultural produce	-	-	-	-

Ga-Segonyana Local Municipality**Appendix E(1)**

June 2012

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2012

	Current year 2011 Act. Bal.	Current year 2011 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Income from equity accounted investments	-	-	-	-
Gain or loss on disposal of non-current assets held for sale or disposal groups	-	-	-	-
Taxation	-	-	-	-
Discontinued operations	-	-	-	-
	(590,316)	6,740	(597,056)	858.4
Net surplus/ (deficit) for the year	13,367,858	4,550,080	8,817,778	193.8

June 2012

Additions	Revised Budget	Variance	Variance	Explanation of significant variances from budget
Rand	Rand	Rand	%	

Executive & Council/Mayor and Council	658,087	600,000	(58,087)	(10)
Finance & Admin/Finance	110,447	-	(110,447)	-
Planning and Development/Economic Development/Plan Health/Clinics	0,495,570	2,890,813	7,604,757)	(263)
Comm. & Social/Libraries and archives	-	-	-	-
Housing	-	-	-	-
Public Safety/Police	1,866,644	2,500,000	633,356	25
Sport and Recreation	7,332	-	(7,332)	-
Environmental Protection/Pollution Control	-	-	-	-
Waste Water Management/Sewerage	-	4,999,258	4,999,258	100
Road Transport/Roads	8,288	5,831,386	5,823,098	100
Water/Water Distribution	8,562,949	2,792,730	4,229,781	74
Electricity /Electricity Distribution	-	8,060,082	8,060,082	100
Other/Air Transport	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	1,709,317	7,674,269	5,964,952	62

[illegible]

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Ga-Segonyana Local Municipality

Appendix F

Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

June 2012

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Mar	Jun	Sep	Dec		Mar	Jun	Sep	Dec	Mar	Mar	Jun	Sep	Dec	Mar			
Municipal Infrastructure Grant		22,194	-	-	-	-	-	-	-	-	-	-	-	-	-	-		No	
Department of Mineral and Energy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Water and Sanitation Master Plan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Amogelang Early childhood		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Library development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Municipal Systems Act		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Construction Nelson Mandela Drive		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Blue Drop & Green Support		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		22,194	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

Ga-Segonyana Local Municipality

Appendix F

Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

June 2012

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Mar	Jun	Sep	Dec		Mar	Jun	Sep	Dec	Mar	Mar	Jun	Sep	Dec	Mar			
Municipal Infrastructure Grant		22,194	-	-	-	-	-	-	-	-	-	-	-	-	-	-		No	
Department of Mineral and Energy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Water and Sanitation Master Plan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Amogelang Early childhood		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Library development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Municipal Systems Act		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Construction Nelson Mandela Drive		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Blue Drop & Green Support		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		22,194	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

Ga-Segonyana Local Municipality

Appendix F

Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

June 2012

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Mar	Jun	Sep	Dec		Mar	Jun	Sep	Dec	Mar	Mar	Jun	Sep	Dec	Mar			
Municipal Infrastructure Grant		22,194	-	-	-	-	-	-	-	-	-	-	-	-	-	-	No		
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Department of Mineral and Energy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Water and Sanitation Master Plan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Amogelang Early childhood		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Library development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Municipal Systems Act		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Construction Nelson Mandela Drive		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Blue Drop & Green Support		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		22,194	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

Ga-Segonyana Local Municipality

(Registration number NC452)

Unaudited Annual Financial Statements for the year ended 30 June 2012

Annotations

1. Combined with consumer debtors as "Trade Receivables from exchange transactions" in prior year AFS
2. Grants receivable shown separately in AFS 2011
3. Combined with Receivables from exchange transactions as "Trade Receivables from exchange transactions" in prior year AFS
4. Journal needed
5. Journal needed
6. Journal needed
7. Grouped with Finance lease obligation in prior year AFS as "Current Portion of Long-term Liabilities"
8. Grouped with Other financial liabilities in prior year AFS as "Current Portion of Long-term Liabilities"
9. Combined with leave provision in Excel AF
10. Combined with current portion of post-employment benefit in Excel AF
11. Grouped with Finance lease obligation in prior year AFS as "Long-term Liabilities"
12. Grouped with Other financial liabilities in prior year AFS as "Long-term Liabilities"
13. Off by R 2 988
14. 210-260096 was mis-mapped in prior year. Corrected in current year and journal RCF-PK-0002 to R00004 written to preserve PY balance

Chapter 8

Report of the Auditor General for the 2011/12 Financial Year





The Accounting Officer
Ga-Segonyana Municipality
Private Bag X1522
Kuruman
8460

Date: 30 November 2012

Reference: 21358REG11-12

Dear Mr. G.E Ntefang

Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Ga-segonyana local municipality for the year ended 30 June 2012

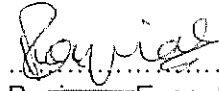
1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act of South Africa (MFMA)
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements and the reported performance against pre-determined objectives. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA, you are required to include the audit report in the municipality's annual report to be tabled.
4. Until the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a public document and should therefore be treated as confidential.
5. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
6. Please notify the undersigned Business Executive / Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.

7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



~~Business Executive~~ / Senior Manager: NCBU (Northern Cape Business Unit)

Enquiries: Marshae Papiah
Telephone: (053) 831 1016
Fax: (053) 833 3321

REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE GA-SEGONYANA LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Gasegonyana local municipality as set out on pages XX to XX, which comprise the appropriation statement, the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.
4. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for disclaimer of opinion

Cash and cash equivalents

5. I was unable to obtain sufficient appropriate evidence for cash and cash equivalents disclosed as R16 863 879 (2011: R2 327 233) in note 16 to the financial statements as bank reconciliations were not performed for two of the three bank accounts and the bank reconciliations of the other account was not performed accurately. I was unable to confirm the cash and cash equivalents by alternative means. Consequently, I was unable to determine whether any adjustments to cash and cash equivalents disclosed were necessary.

Property, plant and equipment

6. Assets purchased amounting to R3 520 547 was incorrectly expensed instead of capitalised. Land and buildings amounting to R3 205 900 was identified which is not registered in the name of the municipality. This was in contravention with the Standards of Generally Recognised Accounting Practice, GRAP 17, *Property, plant and equipment*. *Property, plant and equipment* disclosed as R957 566 061 (2011: R952 049 475) in note 4 to the financial statements is overstated by R314 647. Repairs and maintenance and accumulated surplus was overstated with R3 520 547 and R3 205 900 respectively as a result of this.

7. In addition to this assurance could not be obtained on property plant and equipment as:
- land and buildings to the value of R23 542 430 were not registered with the deeds office.
 - the municipality did not have a system in place to allow me trace infrastructure assets amounting to R885 709 623 from the asset register.
 - the municipality did not have a system in place to allow me trace infrastructure assets to the asset register.
 - movable assets to the value of R6 666 735 could not be physically verified.
 - asset additions to the value of R42 753 626 was not unbundled and could not be physically verified.
 - supporting documentation to verify the valuation of assets to the value of R909 317 034 could not be submitted for audit purposes.
 - one thousand eight hundred and five properties registered in the name of the municipality at the deeds office could not be found on the asset register.
 - the useful lives of assets were not revised annually as required by GRAP 17 paragraph 61.
 - assets were not depreciated over the useful lives as per the accounting policy.
 - sufficient appropriate supporting documentation could not be provided for debit transactions amounting to R462 876.
- I was unable to confirm the property, plant and equipment by alternative means. Consequently, I was unable to determine whether any further adjustments to property, plant and equipment were necessary.

Irregular expenditure

8. The municipality did not disclose irregular expenditure incurred during the current or previous financial periods as required by section 125(d) of the MFMA. The irregular expenditure was therefore understated by R28 866 914 (2011: R67 920 376) as the proper supply chain management processes were not followed in the following instances:
- Tender processes were not applied for payments amounting to R28 146 029.
 - The preference point system was not applied for payments amounting to R664 091.
 - The municipality did not obtain 3 quotations for payments amounting to R56 794.
9. In addition the municipality was not able to provide me with tender documentation for payments amounting to R27 394 920 and support for other procurement payments amounting to R1 218 499. I was unable to confirm the irregular expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments to irregular expenditure disclosed were necessary.

Other receivables from non-exchange transactions

10. The municipality did not accrue for interest on long outstanding accounts as required by Standards of Generally Recognised Accounting Practice, GRAP 23, *Revenue from non-exchange transactions*. Receivables from non-exchange transactions disclosed as R7 483 220(2011: R3 160 761) in note 13 to the financial statements and revenue interest received is consequently understated by R448 029.

11. In addition the municipality did not accurately levy property rates as required by section 78 of the Municipal Property Rates Act. Receivables from non-exchange transactions and revenue property rates is consequently overstated by R2 066 621.
12. Further more the municipality was not able to reconcile the amount disclosed in the financial statements to the R3 354 438 as per the general ledger. The difference of R4 128 782 could not be supported by appropriate audit evidence. I was unable to confirm the receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments to receivables from non-exchange transactions disclosed were necessary.

Other receivables from exchange transactions

13. The municipality did not accrue for interest on long outstanding accounts as required by Standards of Generally Recognised Accounting Practice, *GRAP 9, Revenue from exchange transactions*. Receivables from exchange transactions disclosed as R98 012 (2011: R98 012) in note 12 to the financial statements and interest received are consequently understated by R20 177 680.
14. In addition the municipality cleared suspense accounts affecting the receivable from exchange transactions balance. The municipality was not able to provide me with support for these credit transactions amounting to R6 975 024. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments to receivables from exchange transactions disclosed were necessary.

Value Added Tax receivable

15. A VAT investigation was performed during the financial year by the South African Revenue Services in accordance with the provisions of the Value Added Tax act, section 7(1)(a) and section 1 paragraph (a)(i). The results of the investigation indicated that the VAT receivable of the municipality was overstated by R20 126 205, revenue from exchange transactions was overstated by R17 426 385 and general expenditure was understated with R2 699 820. The accounting system was not adjusted to take the results of this investigation into account.
16. In addition I was unable to obtain sufficient appropriate evidence for VAT receivable disclosed as R7 197 714 (2011: R4 067 905) in note 14 to the financial statements as:
 - the VAT reconciliations performed by the municipality at year end totalling R7 532 956 did not agree with the general ledger.
 - sufficient appropriate evidence could not be obtained to provide assurance that the VAT amount as per the general ledger was received after year end.
 I was unable to confirm the VAT receivable by alternative means. Consequently, I was unable to determine whether any further adjustments to the VAT receivable disclosed were necessary.

Consumer debtors

17. I was unable to obtain sufficient appropriate evidence for consumer debtors disclosed as R7 377 364 in note 15 to the annual financial. The municipality was not able to reconcile the amount disclosed in the financial statements to the R10 128 696 as per the general ledger. The difference of R2 751 332 could not be supported by appropriate audit evidence. I was unable to confirm the consumer debtors by alternative means. Consequently, I was unable to determine whether any adjustments to consumer debtors disclosed were necessary.

Investment property

18. The municipality incorrectly classified investment property as property plant and equipment. This was in contravention with the Standards of Generally Recognised Accounting Practice, GRAP 17, *Property, Plant and Equipment* and GRAP 16, *Investment property*. Investment property disclosed as R1 601 700 in note 4 to the financial statements is consequently understated by R21 286 278 and property, plant and equipment overstated by the said amount.
19. In addition to this the municipality was not able to reconcile the amount disclosed in the financial statements to the credit balance of R84 300 as per the general ledger. The difference of R1 686 000 could not be supported by appropriate audit evidence. I was unable to confirm the Investment property by alternative means. Consequently, I was unable to determine whether any further adjustments to investment property disclosed were necessary.

Retirement benefit obligation

20. I was unable to obtain sufficient appropriate evidence for the retirement benefit obligation disclosed as R10 121 137 in note 8 to the financial statements. The municipality based the obligation on the previous year's actuarial report. Significant changes in the staff establishment did however occur since the drafting of the previous report. I was unable to confirm the retirement benefits obligation by alternative means. Consequently, I was unable to determine whether any adjustments to the retirement benefits obligation disclosed were necessary.

Unspent conditional grants and receipts

21. I was unable to obtain sufficient appropriate evidence for unspent conditional grants and receipts disclosed as R11 586 053 (2011: R3 099 334) in note 19 to the financial statements as:

- grants to the value of R16 079 000 that was paid to the municipality according to the Division of Revenue Act could not be substantiated with sufficient, appropriate audit evidence.
- the municipality was not able to provide me with support for debit transactions amounting to R14 589 054 and credit transactions amounting to R13 731 530 affecting unspent conditional grants and receipts balance.
- the balance disclosed was R2 373 147 more than the balance in the conditional grants register. Management could not provide me with a reconciliation to explain the difference.

I was unable to confirm the unspent conditional grants and receipts by alternative means. Consequently, I was unable to determine whether any adjustments to unspent conditional grants and receipts disclosed were necessary.

Provisions

22. The municipality incorrectly classified payables from exchange transactions and employee cost as provisions. This was in contravention with the Standards of Generally Recognised Accounting Practice, GRAP 19, *Provisions, contingent liabilities and contingent assets*. Provisions disclosed as R1 738 660 (2011: R0) in note 20 to the financial statements is consequently overstated by R1 738 660, employee cost is overstated with R851 062 and payables from exchange transactions is understated by R887 598.
23. In addition the municipality did not have adequate systems in place to maintain records of the rehabilitation of the landfill site, which resulted in the municipality not accounting for this provision in the financial statements. I was unable to confirm the provisions by alternative means. Consequently I was unable to determine whether any further adjustments were necessary to the amount disclosed for provisions.

Accumulated surplus

24. I was unable to obtain sufficient appropriate evidence for accumulated surplus disclosed as R938 677 747(2011: R925 309 888) in the statement of financial position and statement of changes in net assets as the municipality was not able to reconcile the amount disclosed in the financial statements to the R932 234 862 as per the general ledger. The difference of R6 924 966 could not be supported by appropriate audit evidence. I was unable to confirm accumulated surplus by alternative means. Consequently, I was unable to determine whether any adjustments to accumulated surplus were necessary.

Service charges

25. The municipality did not calculate service estimations in accordance to the Standards of Generally Recognised Accounting Practice, GRAP 9, *Revenue from exchange transactions*. Service charges disclosed as R80 915 552 (2011: R64 223 908) in note 25 to the financial statements and receivables from exchange transactions are consequently understated by R5 333 005.
26. In addition to this assurance could not be obtained on service charges as the municipality was not able to provide me with support for debit transactions amounting to R9 780 835 and credit transactions amounting to R16 679 207 affecting service charges. The municipality has a high number of unmetered water connections and electricity meters that could not be traced to service accounts, which resulted in services being rendered which was not charged. I was unable to confirm the service charges by alternative means. Consequently, I was unable to determine whether any further adjustments to service charges disclosed were necessary.

Rental of facilities and equipment

27. I was unable to obtain sufficient appropriate evidence for rental of facilities and equipment disclosed as R1 666 502 in the statement of financial performance to the financial statements due to the municipality not maintaining a rental register and a lack of contracts with regards to these transactions. In addition to this I identified a gap in the receipts sequence which could not be explained by the municipality. I was unable to confirm the rental of facilities and equipment by alternative means. Consequently, I was unable to determine whether any adjustments to rental of facilities and equipment disclosed were necessary.

Fines

28. I was unable to obtain sufficient appropriate evidence for fines disclosed as R4 082 812 (2011: R1 344 567) in the statement of financial performance due to the fact that neither a list of fines issued during the year nor reconciliations between the fines issued and revenue recognised being submitted. This did not enable me to draw a sample of fines issued. I was unable to confirm the fines by alternative means. Consequently, I was unable to determine whether any adjustments to fines disclosed were necessary.

Government grants & subsidies

29. I was unable to obtain sufficient appropriate evidence for government grants & subsidies disclosed as R128 456 653 in note 26 to the financial statements due to

- credit transactions to the value of R117 965 787 which could not be supported by sufficient appropriate audit evidence.
- the R128 456 653 disclosed as per the statement of financial performance differed with the R131 645 428 as disclosed in the detail of note 26. Management was unable to provide sufficient appropriate audit evidence for the R3 188 775 difference.
- grant agreements not being available to confirm if revenue condition requirements were met for revenue amounting to R21 725 859.

I was unable to confirm the government grants & subsidies by alternative means. Consequently, I was unable to determine whether any adjustments to government grants & subsidies disclosed were necessary.

Personnel

30. The municipality incorrectly classified payments to contract workers as repairs and maintenance. This was in contravention with the Standards of Generally Recognised Accounting Practice, GRAP 1, *Presentation of financial statements*. Personnel disclosed as R42 726 261 (2011: R36 586 988) in note 29 to the financial statements is consequently understated by R3 572 322 and repairs and maintenance overstated by the said amount.
31. In addition the municipality was not able to provide me with supporting schedules for R16 883 295 of personnel cost. This did not enable me to draw a sample to test this amount. I was unable to confirm the personnel cost by alternative means. Consequently, I was unable to determine whether any further adjustments to personnel cost disclosed were necessary.

Depreciation and amortisation

32. I was unable to obtain sufficient appropriate evidence for depreciation and amortisation disclosed as R41 879 896 (2011: R40 470 676) in the statement of financial performance due to the limitation of scope on the plant, property and equipment component. It was further noted that the amount disclosed differed with the following:

- R41 789 605 disclosed in note 4 to the financial statements.
- R41 651 460 as per the asset register.
- R41 479 521 as per the general ledger.

I was unable to confirm the depreciation and amortisation by alternative means. Consequently, I was unable to determine whether any adjustments to depreciation and amortisation disclosed were necessary.

Impairments

33. I was unable to obtain sufficient appropriate evidence for impairments disclosed as R8 420 370 (2011: R2 257 783) in note 34 in the statement of financial performance due to the limitation of scope on the receivables. I was unable to confirm the impairments by alternative means. Consequently, I was unable to determine whether any adjustments to impairments disclosed were necessary.

Repairs and maintenance

34. I was unable to obtain sufficient appropriate evidence for repairs and maintenance disclosed as R19 927 352 (2011: R19 722 687) in the statement of financial performance as debit transactions amounting to R5 380 385 and credit transactions amounting to R462 876 could not be supported. I was unable to confirm the repairs and maintenance by alternative means. Consequently, I was unable to determine whether any adjustments to repairs and maintenance disclosed were necessary.

Bulk purchases

35. I was unable to obtain sufficient appropriate evidence for bulk purchases disclosed as R41 533 132 (2011: R30 543 229) in note 39 to the financial statements as debit transactions amounting to R6 993 757 could not be supported. I was unable to confirm the bulk purchases by alternative means. Consequently, I was unable to determine whether any adjustments to bulk purchases disclosed were necessary.

Grants and subsidies paid

36. I was unable to obtain sufficient appropriate evidence for grants and subsidies paid disclosed as R21 654 250 (2011: R31 234 716) in note 38 to the financial statements as debit transactions amounting to R45 147 521 could not be supported. I was unable to confirm the grants and subsidies paid by alternative means. Consequently, I was unable to determine whether any adjustments to grants and subsidies paid disclosed were necessary.

General expenses

37. I was unable to obtain sufficient appropriate evidence for general expenses disclosed as R40 687 425 (2011: R35 929 844) in note 27 to the financial statements due to debit transactions of R71 228 122 and credit transactions of R2 811 979 that could not be supported and other expenditure within general expenditure of R27 399 286 was not disclosed separately as required by GRAP 1 *Presentation of financial statements*. I was unable to confirm the general expenses by alternative means. Consequently, I was unable to determine whether any adjustments to general expenses disclosed were necessary.
38. In addition to this the municipality was not able to reconcile the amount disclosed in the financial statements to the R40 992 532 as per the general ledger. The difference of R305 110 could not be supported by appropriate audit evidence. I was unable to confirm the general expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments to general expenditure disclosed were necessary.

Inventories

39. I was unable to obtain sufficient appropriate evidence for inventory disclosed as R3 006 893 (2011: R6 738 543) in note 11 to the financial statements due to the fact that management did not prepare monthly reconciliations between the inventory listings and general ledger. I was unable to confirm the inventories by alternative means. Consequently, I was unable to determine whether any adjustments to inventories disclosed were necessary.

Related parties

40. International Public Sector Accounting Standard, IPSAS 20, *Related-party disclosures* requires disclosure of the remuneration of key management personnel and the number of individuals. I was unable to perform satisfactory audit procedures to obtain reasonable assurance on the completeness of the disclosure note as required information was not presented for audit.

Commitments

41. The municipality incorrectly classified projects to the value of R15 296 706 that was not contracted for as commitments and projects were identified to the value of R4 359 509 that was not included in commitments. Commitments disclosed as R68 227 941(2011: R25 273 275) in note 41 to the financial statements is consequently overstated by R10 280 070.
42. In addition I was unable to obtain sufficient appropriate evidence for commitments amounting to R52 041 700. I was unable to confirm the commitments by alternative means. Consequently, I was unable to determine whether any further adjustments to commitments disclosed were necessary.

Material losses

43. Section 125(2)(d)(i) of the MFMA states that the notes to the financial statements of a municipality must disclose particulars of any material losses. The municipality did not disclose in the note to the financial statements distribution losses for the current and prior year with regards to electricity and water due to the municipality not implementing adequate control measures to reliably calculate these losses. I was unable to determine the total extent of the distribution losses as sufficient appropriate evidence could not be obtained.

Contingent liabilities

44. I was unable to obtain sufficient appropriate evidence for contingent liabilities of R8 621 110 in note 42 to the financial statements as legal confirmations could not be submitted to substantiate R3 635 305 of the amount disclosed. I was unable to confirm the contingent liabilities by alternative means. Consequently, I was unable to determine whether any adjustments to contingent liabilities disclosed were necessary.

Fruitless and wasteful expenditure

45. The fruitless and wasteful expenditure disclosed as R85 211 in note 50 to the financial statements was understated by R693 895 due to fruitless and wasteful expenditure identified during the audit that was not disclosed. Fruitless and wasteful expenditure to the value of R13 083 was not taken into account in the opening balance of the current year. The amount disclosed was consequently understated by R706 978.

Unauthorised expenditure

46. The unauthorised expenditure disclosed as R29 818 995 (2011:R60 294 709) in note 49 to the financial statements was not calculated as per the definition of unauthorised expenditure as stipulated in the MFMA section 1. Unauthorised expenditure was understated by R15 316 825 due to the incorrect budget being disclosed in the financial statements and used for the calculation. Unauthorised expenditure to the value of R62 420 457 was not taken into account in the opening balance of the current year. The amount disclosed was consequently understated by R77 737 282.

Cash flow statement

47. Due to the impact of the unreconciled bank balance and unexplained differences to the value of R572 967 on the cash flow statement I could not obtain reasonable assurance on the accuracy of the cash flow statement. This was also reported in the previous financial period.

Budget Disclosure

48. The approved adjustment budget as stipulated in section 12 of GRAP 24 *Presentation of budget information in the AFS* was not disclosed in note 56 to the financial statements. The budgeted revenue disclosed as R179 483 034 and the budgeted expenditure disclosed as R180 695 113 were understated with R9 138 966 and R6 920 877 respectively as a result of this.

Financial sustainability

49. Note 1.2 to the financial statements indicate that the financial statements have been prepared on a going concern basis. The statement of financial performance for the year ended 30 June 2012 indicated that the Ga-Segonyana Municipality recognised government grants and subsidies of R128 456 653. Revenue from other sources was R111 789 174 and may be inadequate to fund the annual expenditure of R226 287 659 for the year ended 30 June 2012. These conditions, along with other matters indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern. The municipality did not conduct the going concern assessment as required. Consequently, I was unable to obtain reasonable assurance on the accuracy and fair presentation and disclosure of the going concern note in the financial statements.

Prior period errors and changes in accounting policy

50. Prior year errors have been corrected during the current and prior year for which no information has been disclosed under note 44 in the financial statements. The nature of the prior period errors, the amounts of the corrections for the affected financial statement line items and the amounts of the corrections at the beginning of the earliest prior period presented, were not disclosed as required by paragraph 49 of GRAP 3 *Accounting policies, changes in accounting estimates and errors*. The nature of the changes in accounting policies, descriptions of the transitional provisions, the amounts of the adjustments for each financial statement line item affected and the amounts of the adjustments relating to periods before those presented were not adequately disclosed in the financial statements, as required by paragraph 28 of GRAP 3 *Accounting policies, changes in accounting estimates and errors*.

Trade and other payables

51. I was unable to obtain sufficient appropriate evidence for trade and other payables disclosed as R4 948 827 (2011: R3 625 506) in note 21 to the financial statements. Neither the rental deposits registers nor support for rental deposits received amounting to R1 463 154 could be submitted. In addition to this the municipality was not able to reconcile the R2 908 907 disclosed for retentions in the financial statements to the R1 448 062 as per the general ledger. The difference of R1 460 845 could not be supported. Further more trade and other payables included debit transactions amounting to R630 177 for which sufficient appropriate evidence could not be submitted. I was unable to confirm the trade and other payables by alternative means. Consequently, I was unable to determine whether any adjustments to trade and other payables were necessary.

Aggregation/ Accumulation of immaterial uncorrected misstatements

52. The financial statements as a whole are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following elements making up the statement of financial position and the statement of financial performance:

- Other financial liabilities reflected as R30 040 517 is understated by R1 564 392
- Accumulated surplus reflected as R938 677 747 is overstated by R1 537 132 and
- Finance cost reflected as R3 929 148 is understated by R27 260.

53. In addition, I was unable to obtain sufficient appropriate audit evidence and I was unable to confirm or verify the following elements by alternative means.

- Finance lease obligation reflected as R1 128 025.

As a result, I was unable to determine whether any adjustments to these elements were necessary.

Disclaimer of opinion

54. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

Emphasis of matter

55. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

56. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during 30 June 2012 in the financial statements of the municipality at, and for the year ended, 30 June 2011.

Additional matters

57. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material inconsistencies in other information included in the appendices to the financial statements

58. The following inconsistencies were identified between the financial statements and the appendices to the financial statements:

- Appendix A to the financial statements indicates that the outstanding loans of the municipality equates to R 31 644 140. The amount disclosed in note 17 is however R30 040 517.
- The carrying value of assets as per note 4 to the financial statements equates to R957 566 061. This differs with the R942 150 212 disclosed in appendix B and the R959 310 083 in appendix C.
- Appendix E1 of the financial statements indicates that the net surplus of the budget for the municipality equates to R4 550 080. This is inconsistent with the adjusted budget of R1 006 000 which in turn also differs with the R 1 212 079 disclosed in note 56 to the financial statements. The incorrect budget was also taken into account in chapter 5 of the annual report.

Unaudited supplementary schedules

59. The supplementary information set out on pages XX to XX, appendices A to F, does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

60. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

61. We performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report for the municipality as set out on pages XX to XX of the annual report.
62. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development priorities or objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance* information.

The reliability of the information in respect of the selected development priorities or objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

The material findings are as follows:

Usefulness of information**Presentation**

63. Improvement measures in the annual performance report for a total of 100% of the planned targets not achieved were not disclosed as required by *section 46 of the Municipal Systems Act*. This was due to inadequate internal policies and procedures over the processes pertaining to the reporting of performance information.

Measurability

64. The *National Treasury Framework for managing programme performance information (FMPPi)* requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 45% of the targets were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles and also due to the lack of processes and systems that should be used to ensure that the municipality achieves its targets.

65. The *National Treasury Framework for managing programme performance information (FMPPi)* requires that performance targets be measurable. The required performance could not be measured for a total of 30% of the targets. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles and also due to the lack of processes and systems that should be used to ensure that the municipality achieves its targets.
66. The *National Treasury Framework for managing programme performance information (FMPPi)* requires that the time period or deadline for delivery be specified. A total of 80% of the planned targets (as per the approved IDP) and 88% of the reported targets (targets that were reported against in the annual performance report) were not time bound in specifying a time period or deadline for delivery (please note that the targets as per approved IDP were assessed separately from the targets as per the annual performance report due to the fact that the annual performance report was not aligned to the approved IDP). This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles and also due to the lack of processes and systems that should be used to ensure that the municipality achieves its targets on a timely basis.
67. The *National Treasury Framework for managing programme performance information (FMPPi)* requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 52% of the indicators were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles and also due to the lack of processes and systems that produce the performance indicators.
68. The *National Treasury Framework for managing programme performance information (FMPPi)* requires that it must be possible to validate the processes and systems that produce the indicator. A total of 100% of the indicators/measures were not verifiable in that valid processes and systems that produce the information on actual performance did not exist. This was due to the lack of key controls in the relevant systems of collection, collation, verification and storage of actual performance information.

Reliability of information

Validity

69. The *National Treasury Framework for managing programme performance information (FMPPi)* requires that processes and systems which produce the indicator should be verifiable. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity of the actual reported performance relevant to 100% of Development Priority - Basic Services. This was due to limitations placed on the scope of my work due to the institution's records not permitting the application of alternative audit procedures.

Accuracy

70. The *National Treasury Framework for managing programme performance information (FMPPi)* requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the accuracy of the actual reported performance relevant to 100% of Development Priority - Basic Services. This was due to limitations placed on the scope of my work due to the institution's records not permitting the application of alternative audit procedures

Completeness

71. The National Treasury *Framework for managing programme performance information (FMPPi)* requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant 100% of Development Priority - Basic Services. This was due to limitations placed on the scope of my work due to the institution's records not permitting the application of alternative audit procedures

Additional matter**Achievement of planned targets**

72. Of the total number of planned targets, only 50 were reached during the year under review. This represents 20% of total planned targets that were not achieved during the year under review, 38% of which did not have a baseline to benchmark against and two that could not be assessed as the timeline set had not yet passed. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

Compliance with laws and regulations

73. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA are as follows:

Strategic planning and performance management

74. The performance audit committee did not meet at least twice during the financial year, as required by Municipal Planning and Performance Management Regulation 14(3)(a).
75. The performance audit committee did not review the municipality's performance management system or make recommendations to the council, as required by Municipal Planning and Performance Management Regulation 14(4)(a)(ii).
76. The performance audit committee did not review all the quarterly internal audit reports on performance measurement, as required by Municipal Planning and Performance Management Regulation 14(4)(a)(i).
77. The performance audit committee did not submit at least twice during the financial year, an audit report on the review of the performance management system to the council, as required by Municipal Planning and Performance Management Regulation 14(4)(a)(iii).
78. The municipality did not set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan and did not set measurable performance targets with regard to each development priority and objective as required by section 41 of the Municipal Systems Act.

Budgets

79. Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the Municipal Finance Management Act.

Annual financial statements, performance and annual reports

80. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act.
81. The municipal council did not adopt an oversight report, containing comments on the annual report, within two months from the date on which the 2010/11 annual report was tabled, as required by section 129(1) of the Municipal Finance Management Act.
82. The accounting officer did not make public the council's oversight report on the 2010/11 annual report within seven days of its adoption, as required by section 129(3) of the Municipal Finance Management Act.

Audit committees

83. An audit committee was not in place for four months of the financial year, as required by section 166(1) of the MFMA.
84. The audit committee was not constituted, as required by section 166(4)(a) MFMA as the following requirements were not adhered to:
 - At the beginning of the financial year the audit committee consisted of four members. Two of the members resigned in September and October 2011. The committee was eventually dissolved on 29 February 2012. Therefore three members were not appointed as required throughout the year.
85. The audit committee did not advise the accounting officer on matters relating to internal financial control and internal audits, risk management, accounting policies, effective governance, performance management or performance evaluation as required by section 166(2)(a) of the MFMA.
86. The audit committee did not advise the accounting officer on matters relating to the adequacy, reliability and accuracy of financial reporting and information, as required by section 166(2)(a)(iv) of the MFMA.
87. The audit committee did not advise the accounting officer on matters relating to compliance with the MFMA, and DoRA, as required by section 166(2)(a)(vii) of the MFMA.
88. The audit committee did not review the financial statements to provide the council with an authoritative and credible view of the financial position of the entity, its efficiency and effectiveness and its overall level of compliance with the MFMA and DoRA, as required by section 166(2)(b) of the MFMA.
89. The audit committee did not respond to the council on the issues raised in the audit reports of the Auditor-General, as required by section 166(2)(c) of the MFMA.
90. The audit committee did not meet at least four times a year, as required by section 166(4)(b) of the MFMA.

Performance audit committee

91. The performance audit committee did not meet at least twice during the financial year, as required by Municipal Planning and Performance Management Regulation 14(3)(a).
92. The performance audit committee did not review the municipality's performance management system or make recommendations to the council, as required by Municipal Planning and Performance Management Regulation 14(4)(a)(ii).
93. The performance audit committee did not review all the quarterly internal audit reports on performance measurement, as required by Municipal Planning and Performance Management Regulation 14(4)(a)(i).
94. The performance audit committee did not submit at least twice during the financial year, an audit report on the review of the performance management system to the council, as required by Municipal Planning and Performance Management Regulation 14(4)(a)(iii).

95. The municipality did not set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its IDP and did not set measurable performance targets with regard to each development priority and objective as required by section 41 of the MSA.

Internal audit

96. The internal audit unit did not function as required by section 165(2) of the MFMA, in that:
- it did not report to the audit committee on the implementation of the internal audit plan
 - it did not advise the accounting officer or report to the audit committee on matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management and loss control.
97. The internal audit unit did not report to the audit committee on matters relating to compliance with the MFMA, DoRA and other applicable legislation, as required by section 165(2)(b) of the MFMA.
98. The internal audit did not audit the results of performance measurements, as required by section 45(1)(a) of the MFMA and Municipal Planning and Performance Management Regulation 14(1)(a).
99. The internal audit unit did not assess the functionality of the performance management system, whether the performance management system complied with the requirements of the MSA, the extent to which the performance measurements were reliable in measuring the performance of the municipality on key and general performance indicators], as required by Municipal Planning and Performance Management Regulation 14(1)(b).
100. The internal audit unit did not audit the performance measurements on a continuous basis and/or submit quarterly reports on their audits to the municipal manager and the performance audit committee, as required by Municipal Planning and Performance Management Regulation 14(1)(c).

Procurement and contract management

101. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value of below R200 000 were procured by means of obtaining the required price quotations, as required by SCM regulation 17(a) & (c).
102. Sufficient appropriate audit evidence could not be obtained that goods and services of a transaction value above R200 000 were procured by means of inviting competitive bids and that deviations approved by the accounting officer were only if it was impractical to invite competitive bids, as required by SCM regulation 19(a).
103. Quotations were accepted from prospective providers who are not registered on the list of accredited prospective providers and do not meet the listing requirements prescribed by the SCM policy in contravention of SCM regulation 16(b) and 17(b).
104. Awards were made to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, as required by SCM regulation 29(5)(b).
105. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and SCM regulation 28(1)(a).
106. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.

107. Sufficient appropriate audit evidence could not be obtained that contracts were only extended or modified after tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA.
108. Sufficient appropriate audit evidence could not be obtained that all extension or modification to contracts were approved by a properly delegated official, as required by SCM Regulation 5.
109. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
110. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

Human resource management and compensation

111. An approved staff establishment was not in place, as required by section 66(1)(a) of the Municipal Systems Act.
112. The municipal manager and senior managers directly accountable to the municipal manager did not sign performance agreements, as required by section 57(2)(a) Municipal Systems Act.

Expenditure management

113. Sufficient appropriate audit evidence could not be obtained that money owing by the municipality had always been paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the Municipal Finance Management Act.
114. An effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds, was not in place as required by section 65(2)(a) of the Municipal Finance Management Act.
115. The accounting officer did not take effective steps to prevent unauthorised, irregular, fruitless and wasteful expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act.
116. Unauthorised, irregular, fruitless and wasteful expenditure was not recovered from the liable person, as required by section 32(2) of the Municipal Finance Management Act.
117. Sufficient appropriate audit evidence could not be obtained that payments had been approved by the accounting officer or a properly authorised official as required by section 11(1) of the Municipal Finance Management Act.

Revenue management

118. An adequate management, accounting and information system was not in place which recognised revenue when it was earned and accounted for debtors, as required by section 64(2)(e) and 97(h) of the Municipal Finance Management Act.
119. Interest was not charged on all accounts in arrears as, required by section 64(2)(g) of the Municipal Finance and Management Act.
120. Sufficient audit evidence could not be obtained that revenue had been reconciled on a weekly basis, as required by 64(2)(h) of the Municipal Finance Management Act.

Asset management and liability management

121. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the Municipal Finance Management Act.
122. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the Municipal Finance Management Act.
123. Capital assets were sold or permanently disposed without the approval of the council, as required by section 14(2)(a) of the Municipal Finance Management Act.
124. A management, accounting and information system which adequately accounts for liabilities was not in place, as required by section 63(2)(a) of the Municipal Finance Management Act.

125. An effective system of internal control for liabilities was not in place, as required by section 63(2)(c) of the Municipal Finance Management Act

Internal control

126. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

127. The leadership did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls. The leadership did not ensure that there were processes to ensure reviews are implemented before submission of information as material errors were detected in the financial statements and non-compliance with laws and regulations and internal control deficiencies were noted throughout the audit process.
128. The leadership of the municipality did not set the correct tone at the top. Senior management did not adhere to internal controls, which resulted in unauthorised and irregular expenditure not detected by management and non-compliance with relevant laws and regulations.
129. The lack of decisive action to mitigate emerging risks, implement timely corrective measures and address non-performance was evident by the failure of management to adequately address the external audit findings in a timely manner. The municipality failed to properly analyse the control weaknesses and implement appropriate follow-up actions that adequately addressed the root cause. This resulted in the audit findings in the prior year report recurring in the current year

Financial and performance management

130. The accounting officer did not prepare regular, accurate and complete financial statements that are supported and evidenced by reliable information, review and monitor compliance with laws and regulations.
131. Finance staff had an insufficient understanding of the accounting framework. This contributed towards the numerous qualifications in the financial statements of the municipality.
132. Inadequate filing procedures at the municipality have resulted in limitations of scope during the current and previous year's audits. As a result significant difficulties were experienced in respect of the availability of information.
133. The financial statements were not properly reviewed for completeness and accuracy prior to submission for auditing. This resulted in many findings relating to incorrect disclosure.

Governance

134. The accounting officer did not prioritise the establishment of a fully functioning internal audit unit, performance audit committee and audit committee and therefore the functions were not established and functional during the financial year. This resulted in the internal audit unit and audit committees not being able to fulfil all their responsibilities.

Auditor - General

Kimberley

30 November 2012




AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

SECTION 6: CONCLUSION

111. The matters communicated throughout this report relate to the three fundamentals of internal control which should be addressed to achieve sustained clean administration. The AGSA staff remains committed to assisting in the process of identifying and communicating good practices to improve governance and accountability, so as to build public confidence in government's ability to account for public resources in a transparent manner.

Yours sincerely


Eugene Zungu
Corporate Executive

30 November 2012

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